

FBIS**DAILY REPORT**
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PRC INTERNATIONAL AFFAIRS
GENERAL

A 1

PRC SPOKESMAN PROTESTS DEFECTOR'S MOVE TO TAIWAN

HK190846 Hong Kong AFP in English 0833 GMT 19 Dec 86

[Text] Beijing, Dec 19 (AFP) -- China protested Friday against Seoul allowing a Chinese pilot who flew to South Korea in a defection bid in October to go to Taiwan.

"The South Korean side, in disregard of the solemn demand of the Chinese side, has sent Zheng Zaitian (Cheng Tsai-tien) to a so-called "third country." We feel extremely regretful and express our strong dissatisfaction about this," a foreign ministry spokesman said.

'FIERCE' U.S.-USSR CONTENTION OVER ARMS VIEWED

OW180254 Beijing XINHUA in English 0239 GMT 18 Dec 86

["Year-Ender: A Year of Fierce Contention Between USSR and U.S. (by Tang Xiushan)" -- XINHUA headline]

[Text] Moscow, December 18 (XINHUA) -- 1986 was a year of intensified confrontation between the Soviet Union and the United States over disarmament, but despite a number of clashes the superpowers continued talking.

The November, 1985, Geneva summit of Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan created an atmosphere of tentative detente. But as 1986 unfolded, events damaging to U.S.-Soviet relations soon piled upon one another and detente gave way to tension.

Trouble began in March when two U.S. warships intruded into Soviet territorial waters in the Black Sea. In April, U.S. bombers raided the Libyan cities of Tripoli and Banghazi, destroying Soviet-controlled missile bases. Moscow responded to the Libyan air raid by calling off a meeting between Foreign Minister Eduard Shevardnadze and American Secretary of State George Shultz.

Throughout the year, political events were punctuated by rumblings under the Nevada desert, as the U.S. chose to ignore the Soviet Union's unilateral nuclear test moratorium and carried out several nuclear tests. Moscow's call for a comprehensive test ban went unanswered.

There was a series of tit-for-tat expulsions of alleged spies and the Reykjavik summit wound up on the rocks after Reagan refused to budge on his Strategic Defense Initiative (SDI). Finally, the U.S. announced it would no longer observe the SALT-2 treaty on limiting strategic nuclear arms and rolled out its 131st cruise-missile-armed B-52 bomber.

Disarmament was at the heart of the Soviet-U.S. struggle. In 1986 the Soviet Union put forward a series of proposals including a step-by-step cutback plan that would eliminate nuclear arms by the end of this century. The U.S. also put forward proposals, but deep differences between the two sides resulted in an impasse at the Geneva nuclear arms control negotiations. Looking upon the stalemate in Geneva, Gorbachev suggested direct talks with Reagan in Reykjavik. In Iceland, Gorbachev insisted that the U.S. slow down space arms development by observing the anti-ballistic missile treaty for ten years and confining research into SDI, the Star Wars program, to the lab. But Reagan refused to yield an inch.

Both the disarmament talks and the Reykjavik summit showed that no number of lofty pronouncements about disarmament can disguise that the U.S. and the Soviet Union are still firmly locked in a struggle for military superiority.

The key problem in negotiations is space weapons. The United States is determined to use its superior technology and advanced economy to develop space weapons that will give it a strategic edge.

There are three good reasons Moscow has for trying to stop SDI: First, it will upset the military and strategic balance that now exists between the two superpowers; second, the massive research and development for Star Wars will widen the technological gap between the U.S. and the Soviet Union, and have a positive economic spin-off for the U.S.; third, Soviet economic development and consumer production can only suffer if Moscow is drawn into an expensive space arms race.

Although neither side has changed its stand since the impasse at Reykjavik, the dialogue has continued. Recently Moscow expressed the hope that an agreement on disarmament can be reached between the Soviet Union and the United States during Reagan's terms of office, which ends in two years. The Soviets are anxious to reach an arms accord without delay. Military technology changes so quickly that it will be much harder to reach an agreement two years from now, and it is also impossible for Moscow to predict the mood of the U.S. Government that will take power when a new president enters the oval office in January, 1989.

What lies ahead are arms talks that will be unavoidably difficult.

RENMIN RIBAO ON UN FINANCIAL DIFFICULTIES

HK050902 Beijing RENMIN RIBAO in Chinese 2 Dec 86 p 7

["Jottings" column by Chao Yang (2600 7122): "While Broadening Sources of Income, It Is Also Necessary To Reduce Expenditure"]

[Text] On 26 November the United Nations announced the cancellation of seven posts as assistants to the secretary general, and one as deputy secretary general, thus cutting expenditure by \$1 million a year. These measures have been taken by the United Nations to simplify its administrative structure and curtail its outlay.

The United Nations is now faced with a serious financial crisis and it is estimated that the organization will have a deficit of \$106 million this year. This imposes tremendous difficulties on UN activities. In this connection, the secretary general has repeatedly called attention to the problem. Of course, the UN financial crisis has grown partly because its members are in arrears with payment of membership dues, and because the United States has refused to bear too great a part of UN expenses as the world organization increasingly goes against the will of the United States. So far as the United States itself is concerned, its expenses are really enormous. As a matter of fact, the United Nations is seriously bloated organizationally and has more hands than needed. This hurts its work efficiency and leads to serious overspending.

To reinvigorate the United Nations and give full play to its role of promoting world peace and development, the financial crisis is a problem calling for an immediate solution. To solve the problem, it is necessary to increase sources of income and urge its members to pay membership dues in time. However, adopting effective measures to streamline its administrative structure and cut down expenses is also a practical path to follow. We hope such a policy of reducing expenditure, while broadening sources of income, will help the United Nations overcome its financial crisis.

RENMIN RIBAO ON UNDERSTANDING IRAN ARMS DEAL

HK180849 Beijing RENMIN RIBAO in Chinese 16 Dec 86 p 6

["International Jottings" by Chao Yang (2600 7122): "Footnote"]

[Text] The U.S.-Iran secret arms deal has caused great trouble in the United States and abroad. Some people criticize the deal while others approve of it. Those who have no knowledge of the behind-the-scenes story may wonder whether the U.S. leaders really needed to get involved in this "high risk gamble," as President Reagan put it, just for the sake of several hostages? A statement that former U.S. President Nixon made recently can be taken to be an excellent footnote to this secret arms deal.

According to a report by an American newspaper, during a secret meeting of Republican state governors, Nixon pointed out "The U.S.-Iran arms deal should not be regarded as a minor episode in a chain of major acts but as a major act in itself -- a major act involving U.S.-Soviet relations." Therefore, he asked Republican leaders to draw a clear distinction between Reagan's policies and those mistakes committed in the course of the implementation of those policies, and not to clip President Reagan's power.

Having read this footnote, one can readily see the United States' strategic intention in launching a "secret diplomatic initiative" toward Iran -- it just seized the opportunity to upgrade its political contention with the Soviet Union in the Middle East, especially in the Gulf region. Based on this knowledge, one may easily understand why the Soviet Union has shown a prompt and strong reaction to this event and has reproached the United States for "coveting Iran's stracegic position."

RENMIN RIBAO DISCUSSES U.S. ARMS INDUSTRY

HK150711 Beijing RENMIN RIBAO in Chinese 12 Dec 86 p 6

["International Jottings" by Zhang Liang (4545 5328): "There Lies the Crux of the Problem"]

[Text] What position does the U.S. arms industry occupy in the national economy?

This question is clarified to a considerable degree by a recent report issued by the Department of Commerce. The report says that in October this year American factory orders dropped by 3.6 percent, totaling \$7.1 billion, the biggest drop recorded in 1 month since the 4.5 percent decline registered in May 1980. And the main reason for the decline was a drop in contracts for defense items.

In fact the U.S. arms industry occupies a decisive position in the national economy. U.S. defense spending has increased in each of the past few years and respectively accounts for 6 percent of gross domestic product and 26 percent of the federal budget. Orders placed by the defense department involve all 50 states and over 70 industrial departments, and roughly one-third of enterprises and units are engaged in defense production. The big increase in defense spending has stimulated the development of the arms industry and proceeded to expand the "effective requirement" for production and daily life materials, and has also increased employment opportunities. The huge national defense spending undoubtedly plays a considerable part in easing America's economic crisis and stimulating economic growth.

The U.S. aim in greatly increasing its defense spending is to "rebuild U.S. military strength" and vie with the Soviet Union for military superiority and world hegemony. However, people can understand from the U.S. arms industry and its close relationship with the national economy why the U.S.-Soviet disarmament talks are always so difficult, and why the number of weapons actually grows while the talks go on.

BUSINESSMAN ON SINO-U.S. AIRCRAFT COPRODUCTION

OW181252 Beijing XINHUA in English 1225 GMT 18 Dec 86

[Text] Hong Kong, December 18 (XINHUA) -- Sino-United States co-production of MD-82 passenger planes in Shanghai will "promote Shanghai's aviation industry and facilitate the future development of the McDonnell Douglas Corporation of the United States."

In an exclusive interview with XINHUA here last week, Gareth Chang, president of Hong Kong-based McDonnell Douglas China, a subsidiary of the Douglas Corporation, said Shanghai's aviation industry will "master the design, modern management, assembling and manufacturing know-how" through the current project of building 25 147-seat MD-82 planes under an agreement signed in April 1985.

He went on, "Twenty-six Shanghai engineers are now joining in the research and development of the McDonnell Douglas and the research will equip them with the latest information on designing and development of aeroplanes."

"With a considerable number of talented scientists and researchers," he said, "China is not backward in aviation theory. What she lacks is experience. And the current project will help narrow the gap in this respect."

More important for the Shanghai aviation industry is that it will obtain FAA [Federal Aviation Administration] certificates for the plane, he said, which means the quality of the Shanghai-built planes meets advanced international standards and recognized worldwide.

For the benefit of Douglas, Chang said, "China is a potential vast market." He predicted China's air transport volume will grow 12-14 percent annually in the decade to come, compared to three percent of the world average growth rate.

Another important factor for the U.S. company to choose Shanghai as a business partner is the good price of China's labor. "If Shanghai's parts and components, in the future, can help us cut costs by one of two percent, what a sum of profit the McDonnell Douglas will earn thus, the corporation will stand on a strong position in the fierce competition on the world aeroplane market," he said.

"Manufacturing of aeroplanes is an international operation now," he said. The Boeing, McDonnell Douglas and Airbus, the three biggest aviation companies in the world, are all building aeroplanes with engines, electronic components and other parts from different countries, he added.

"In this view, Shanghai is also a foothold for Douglas in Asia," he observed.

Referring to further cooperation with China, Chang said that McDonnell Douglas plans to join in China's project for improvements of satellite-launching rockets, and development of software and computer services.

PRC JOURNAL ON GORBACHEV'S VISIT TO INDIA

HK171101 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 50, 15 Dec 86 p 30

["Special Dispatch" by Tan Senxia (6223 0088 0204); "Indian-Soviet Relations as Viewed From Gorbachev's Visit to India"]

[Text] New Delhi -- The recent visit to India by Gorbachev, general secretary of the CPSU Central Committee, has helped strengthen Soviet-Indian relations but has at the same time revealed certain differences of opinion on some issues.

During his visit, Gorbachev discussed with Indian Prime Minister Rajiv Gandhi bilateral relations and international issues, including politics, economics, defense, and security. They signed five documents: an agreement on economic and technological cooperation, a protocol on celebrating Soviet festivals in India and Indian festivals in the Soviet Union, a consular agreement, the Delhi Declaration on 10 principles for building a world without nuclear weapons and violence, and a joint statement. According to the agreement on economic and technological cooperation, the Soviet Union will provide India with a loan of Rrs. 8 billion and assist India in the following four projects: The construction of a hydropower station in a northern province with a generating capacity of 2.4 million kilowatts that can be used to irrigate 270,000 hectares of land; the reconstruction and modernization of the (Bogalo) steel plant in West Bengal; the construction of four underground coal mines in Bihar with an annual output of 8 million tons of coking coal, and the exploration for oil and natural gas in West Bengal.

This huge loan is even more favorable than the one of R1 billion provided by the Soviet Union to India during Rajiv Gandhi's visit to the country in May of last year. The Indian Government will use this loan to pay for the machinery, equipment, materials, and labor provided by the Soviet Union, and part of it will pay for the hydropower station project in the northern province. It was also decided that the former 50-50 ratio in the payment of expenses of local projects was changed to 30-70 to facilitate the use of the Soviet loan in India.

Following the completion of the above projects, the percentage of projects carried out with Soviet aid will rise in India's basic industrial production. Statistics reveal that projects with Soviet aid account for 36 percent in India's steel production, 32 percent in aluminum production, 23 percent in oil production, 47 percent in the production of oil products, 9 percent in power generation, and 47 percent in the production of metallurgical equipment. The huge state-run economy in India, particularly its basic industry, was built mainly with Soviet aid.

Both sides expressed the hope that trade between the two countries will amount to 100 billion rupees by 1992. The Soviet Union is now India's second biggest trade partner after the United States. Trade between the two countries amounted to 44 billion rupees in 1985 (about U.S. \$3.2 billion). Due to the fall in oil prices, it has been estimated that trade between the two countries this year will drop to 36 billion rupees. This is because oil and oil products account for 70 percent of the non-weapon commodities India imports from the Soviet Union. Both sides decided to expand the scope of commodity exchange so that the trade structure will take on a diversified nature. The Soviet Union had decided prior to Gorbachev's visit that the MIG-29 plane sold to India will be delivered ahead of schedule. The first group of these planes will arrive in India by the end of this year. (paragraph continues)

Report said that Akhromeyev, chief of the General Staff of the Soviet Armed Forces, who accompanied Gorbachev on his visit to India, revealed to India that the Soviet Union had succeeded in manufacturing a new laser technology that can attack prealarmed Airborne Warning and Control System [AWACS] planes. The United States has announced that it will supply Pakistan with such AWACS planes. Indian newspapers reported that both sides also discussed problems concerning Soviet submarine sales to India, the production of MIG-29 planes in India, and the Soviet Union's assisting India in improving its rocket-launching technology.

Gorbachev's visit was also beneficial to the Soviet Union. During his visit to India, Gorbachev launched a "space peace" offensive directed at Reagan's "Star Wars" program. India supports the Soviet disarmament proposal. Rajiv Gandhi and Gorbachev issued the Delhi Declaration, calling for the immediate signing of an international treaty on the prohibition of the use of nuclear weapons and of threatening each other with nuclear weapons. Gorbachev suggested building an international space center in India to help developing countries train professionals and develop space technology. Moscow is doing what it can to put the United States, its opponent in the nuclear arms race, in the defendant's seat and to stir up public opinion to counteract the U.S. "Star Wars" plan. The Soviet-Indian joint statement points out that the two countries take a unanimous or similar stand on major international issues.

During his visit, Gorbachev emphasized that in its foreign policy the Soviet Union gives priority to developing friendly relations with India, and Rajiv Gandhi called the Soviet Union a "tried and true friend." For their own interests, both sides feel the need to maintain and develop their close relations.

In spite of all this, the two countries still have certain differences of opinion on some issues, as their interests, after all, do not entirely coincide. Both sides have profited from this visit but neither side feels complete satisfaction with it. Gorbachev gave Rajiv Gandhi details about the proposal on Asian-Pacific security that he made in a speech in Vladivostok in late July, in the hope of obtaining support from India. Rajiv Gandhi, however, reserved his attitude toward the matter, saying that it should be dealt with step by step because it is very complicated. India wants to avoid siding with any of the two superpowers on matters concerning Asian-Pacific security, "for the sake of playing the role of a bridge between the two." India also hopes to leave some room for developing its relations with the United States.

Rajiv Gandhi emphatically pointed out that India's "safety environment is deteriorating." Reports said that this was directed at Pakistan's purchase of U.S. advanced weapons. He said that the 1971 Indian-Soviet treaty was the "source of power of the two countries" and that it had become more important under the present circumstances. Obviously, India has to look to the Soviet Union for help on matters concerning its security. Gorbachev reiterated that in principle, the Soviet Union was loyal to the treaty, but he did not make a public comment about which side the Soviet Union would take if India clashed with a third country. Prior to his departure, Gorbachev held a joint press conference with Rajiv Gandhi at the Presidential Palace. A group of reporters kept asking about the Soviet stand on Indian-Pakistani and Indian-Sino relations. Gorbachev answered their question with great caution. He said that as neighboring countries, India and Pakistan should reach an understanding and hoped for a relaxation of the situation in this region. He believed that both China and India are willing to resolve their border issue in the spirit of mutual understanding.

A Pakistani reporter said after the press conference that Gorbachev had put it well, that it was more sensible than supporting one side and criticizing the other. Sensible remarks are all very well, but what is more convincing is real action.

'YEAR-ENDER' VIEWS ROK'S 'MOST UNSTABLE YEAR'

OW171717 Beijing XINHUA in English 1604 GMT 17 Dec 86

["Year-End: South Korea's Most Unstable Year Since 1980 by Zhu Kechuan" — XINHUA headline]

[Text] Pyongyang, December 17 (XINHUA) -- Last month's police action to break up a mass rally for democracy and constitutional revision climaxed a year of the struggle between the South Korean authorities and the region's opposition forces.

On November 29, the rally was headed off by 70,000 armoured police and reservists which were scattered at key points in downtown Seoul. Clashes resulted, and police used tear gas against stone-throwing marchers.

The chronic struggle between the opposition and the authorities focuses on South Korea's constitution, revised in 1980 when Chon Tu-Hwan became a president. According to the constitution, the president is elected by an appointed electoral college for a seven-year term.

The New Korea Democratic Party (NKDP), which organized the rally, has been leading the opposition in the struggle for a new constitution and a shift of power.

A campaign to collect ten million signatures in the south on a petition demanding constitutional reform was initiated by the NKDP and other political groups. The campaign was widely hailed when initiated on February 12. Organizations to support the petition, like the headquarters of constitutional revision, were founded.

The authorities immediately responded with harsh measures to eliminate elements causing political instability. Permanent consultant of the NKDP Kim Yong-sam and leading dissident Kim Tae-Chung, both active in the campaign, were placed under house-arrest. Offices of opposition parties were ransacked; those who signed the petition were tracked down and arrested.

These actions only fueled the opposition in South Korea, demonstrators and police clashed violently at large rallies, like those in Seoul, Pusan and Kwangju.

South Korea's besieged authorities adopted new tactics, including simultaneous conciliatory and confrontational approaches to its foes. On one hand, the hardline policy against demonstrations was maintained and more people were arrested. On the other, "President" Chon, who had said that the Constitution would not be changed before his term ended in 1988, promised changes. The Constitution issue could be submitted to the National Assembly before his term ended, he said.

After a long debate in the National Assembly, a special committee on constitutional revision was set up in late July. It had 45 members, 23 of whom are from the ruling Democratic Justice Party (DJP), 17 from the NKDP, four from the Korean National Party and one independent assemblyman.

Discussions on constitutional revisions had barely started when opposition learned the DJP had no desire to end the indirect election of the president. Neither side would compromise on the issue. By late September, the NKDP withdrew from the committee and resumed the mobilization of its supporters.

The Seoul authorities warned repeatedly that any "illegal actions" would be punished severely. It arrested an NKDP assemblyman, who said in the National Assembly that reunification with the North should be Seoul's priority rather than anti-communism.

The arrest triggered a storm of protest from the opposition, particularly the NKDP which called for an overthrow of the government. The party began planning for a November 29 rally which was hoped to draw one million people showing their support for reform.

The rally did not materialize, but the 70,000 police called out to prevent it reflected official uneasiness about the political situation and the activities of the opposition.

During the year, the struggle has involved a diverse group of Koreans in various occupations. Students have been conspicuous and very active opponents of the government. College and university students staged 1,700 actions in the first 10 months of 1986, according to the statistics from the Ministry of Home Affairs.

There are no indications that the political crisis in South Korea will be improved in 1987, only one year before the term of the "president" ends. On the contrary, the year should feature an even more active and fierce show on South Korea's political stage.

ZHANG JINGFU AT SIGNING OF JAPANESE IMPORT DEAL

OW162026 Beijing XINHUA in English 1644 GMT 16 Dec 86

[Text] Beijing, December 16 (XINHUA) -- Four documents on Sino-Japanese joint design and manufacture of color kinescopes were signed here this evening.

The agreements cover the plants at Xianyang in Shaanxi Province, and at Shanghai and Nanjing. The fourth is a document of intent between Chinese and Japanese firms on the building of the Nanjing color kinescope factory in the form of a joint venture.

Under the agreements, the Japanese side will provide a complete set of blueprints for the projects agreed on and take full charge of the equipment's quality and technology.

With the implementation of these projects, an official from the Ministry of Electronics Industry said, China would be able to design and build color kinescope factories on its own, and acquire the capability of developing new products. This would lay a foundation for China to produce color TV sets completely on its own by 1990.

The agreements were signed by the China National Technical Import Corporation and the China National Electronic Devices Corporation, on behalf of the Chinese side; and the Toshiba Corporation, Nichimen Corporation, and Mitsui Co. Ltd., on behalf of the Japanese side.

Among those present at the signing ceremony were Chinese State Councillor Zhang Jingfu, Minister of Electronics Industry Li Tieying and Japanese Ambassador to China Yosuke Nakao.

VIETNAM'S 'EXPANSIONIST' POLICY WILL NOT CHANGE

HK1930454 Hong Kong WEN WEI PO in Chinese 17 Dec 86 p 2

[Editorial: "Will the Vietnamese Party Congress Change Its Expansionist Policy?"]

[Text] The Communist Party of the Vietnam (CPV) is now holding its Sixth National Congress. There are indications of a major reshuffle at the top level of the CPV. Truong Chinh, Pham Van Dong, and Le Duc Tho will ask the congress to allow them to resign on the grounds of old age and feebleness. Their resignations will be discussed at the congress. It has been reported that Nguyen Van Linh, Vo Chi Cong, and Vo Nguyen Giap will assume the post of general secretary and premier.

Both Nguyen Van Linh and Vo Chi Cong were competent cadres under the rule of Le Duan. We will have to wait and see whether or not they will put an end to Le Duan's expansionist policy after assuming power.

As Vietnam is now in an unprecedented predicament, the congress will stress coping with the current economic crisis. Unless reform is carried out, there will be no way out for Vietnam. Even Vietnam's backer, the Soviet Union, is now launching a reform movement. Before his death, Le Duan had already planned to follow the example of the Soviet Union. Therefore, it is expected that Le Duan's followers will continue to carry out reform.

At the current CPV National Congress, Truong Chinh emphatically pointed out the economic difficulties and criticized the mistakes in economic work. However, he reiterated that Vietnam's foreign policy will not change.

Pro-Soviet Union and anti-China leanings and an invasion of Cambodia are the two major characteristics of Vietnam's foreign policy. These two characteristics are causal. By taking a pro-Soviet stand, Vietnam can get large amounts of weapons to fight with Cambodia. To continuously pursue its expansionist policy, Vietnam must ingratiate itself with the Soviet Union. With backing from the Soviet Union, Vietnam can wantonly engage in military aggression against Cambodia. Nevertheless, the just stand adopted by China in supporting the struggles of the Cambodian people against aggression has become the insurmountable obstacle to Vietnam's expansion. Owing to its failure in occupying Cambodia after fighting for 7 years, Vietnam went mad and fiercely attacked China to give vent to its spite.

The Soviet Union sent its number two man in the hierarchy, Ligachev, to attend the Sixth CPV National Congress. He reiterated and expected that China and Vietnam could "resume" their normal relations through equal and sensible talks." He said that the policies of the CPV should "develop toward the political solution of the Cambodian issue," and that "Vietnam should make proper use of Soviet aid."

Ligachev's speech has been rendered by some foreign press agencies as "pressure imposed on Vietnam." However, the superficial phenomena cannot conceal the development of the facts. At least Vietnam will not change its expansionist policy after the congress. Vietnamese Foreign Minister Nguyen Co Thach recently used stalling tactics, saying that Vietnam will withdraw its troops in 1990. There are indications that the Soviet Union is trying to prolong the matter for the sake of its strategic needs. On the one hand, it has called for the normalization of relations between China and Vietnam, and on the other hand, it continues to supply weapons to Vietnam. [paragraph continues]

Nguyen Co Thach has postponed the date of withdrawal of Vietnamese troops to 1990, which shows that Vietnam will continue to fight for at least 4 years. What will happen if Vietnam loses? Then Vietnam can break its promise and slip back to its old ways.

Countries that love peace will not be deceived by these blandishments or "sensibly" believe in the tricks played by the aggressors.

Cambodia is the hot point of turbulence in Asia. Instead of enjoining Vietnam to withdraw its troops and suspending its arms supply to Vietnam, the Soviet Union has called for the normalization of relations between China and Vietnam. Does this not prove that the Soviet Union is merely adopting an insincere pose in maintaining peace in Southeast Asia? If an aggressor wishes to "hold talks" with a counterpart that is against aggression, it should first be sincere and make practical moves to withdraw its troops. Will Vietnam make any practical move in the future?

KI ZHONGXUN ATTENDS RECEPTION FOR REWI ALLEY

04021839 Beijing XINHUA in English 1610 GMT 2 Dec 86

[Text] Beining, Decmeber 2 (XINHUA) -- More than 100 Chinese and foreigners attended a reception here this evening to celebrate the 89th birthday of New Zealand writer and social activist Rewi Alley.

Present at the reception were Xi Zhongxun, member of the Political Bureau of the Chinese Communist Party Central Committee; Huang Hua and Chu Tunan, vice-chairman of the National People's Congress Standing Committee; and New Zealand Ambassador to China Lindsay J. Watt.

Speaking at the reception, hosted by the Chinese People's Association for Friendship With Foreign Countries, Huang Hua called Alley "a close friend of the Chinese people who has made vital contributions to China's revolution and construction and has deep affection for the Chinese people."

"In spite of his advanced age, Alley does reading and writing every day and takes part in social activities which has won him the respect of the Chinese people," Zhang Wenjin, president of the host association, said.

Zhang said samples of Rewi Alley's autobiography just published in English by the New World Publishing House are the birthday gifts the Chinese people presented to Alley.

The book has provided important information for the study of China's changes, such as the industrial cooperatives movement in the period of the War of Resistance Against Japanese Aggression in China and some foreigners' contributions to the Chinese Revolution.

In return, Alley read one of his poems which includes the following lines:

So much is enclosed in the name China

That its artists and poets have ever tried to capture

A China that grips us all.

A TV film about Alley's one day in Beijing was shown at the reception.

XINHUA ANSWERS QUERIES ON ARUNACHAL PRADESH

OW161102 Beijing XINHUA in English 1045 GMT 16 Dec 86

["Answers to Readers by XINHUA NEWS AGENCY on So-Called 'Arunachal Pradesh'" -- XINHUA headline]

[Text] Beijing, December 16 (XINHUA) -- Since the spokesman for the Chinese Foreign Ministry made remarks on 11 December 1986 on India's upgrading of the so-called union territory of "Arunachal Pradesh" to the level of "state," some readers have asked what "Arunachal Pradesh" contrived by India is all about. The answers are as follows:

The Sino-Indian boundary with a total length of about 2,000 kilometers has never been formally delimited. However, in the long history of peaceful and friendly coexistence between the two peoples, a traditional customary boundary has taken shape on the basis of the extent of each side's administrative jurisdiction, and it is respected by both the Chinese and Indian peoples. The eastern sector of this traditional customary boundary follows in the main the line where the southern foot of the Himalayas touches the plains on the northern bank of the Brahmaputra River. Tranquility had always prevailed in the Sino-Indian border areas before Western colonialists came to India.

The eastern sector of the Sino-Indian boundary consists of three parts: Monyul, Loyul and Lower Tsayul, which have always been Chinese territory. The inhabitants living there are either of Tibetan or other nationalities having close blood relationship with the Tibetans. It is from the Monyul area that the 6th Dalai Lama, Tsanyum Gyaltso of Tibet hailed. Most places in these areas have Tibetan names. Beginning from the Ming Dynasty, the Tibetan local authorities in China set up administrative organs, appointed officials, collected taxes and exercised judicial authority in the above-mentioned three areas.

In 1914, the colonialists then ruling India secretly contrived the illegal "McMahon Line" outside the Simla Convention in an attempt to incorporate into India about 90,000 square kilometers of Chinese territory in these areas. None of the successive Chinese Governments has ever recognized this line. It was not until 1936 that the colonialists for the first time marked the illegal "McMahon Line" as an "undemarcated boundary" on the map of British India. In 1938, misrepresenting the account concerning the Simla Convention contained in a collection of treaties, engagements and sanads relating to India and neighboring countries, they alleged that negotiations were held at the convention on the so-called question of an "Indian-Tibetan boundary," which in fact was never discussed at the convention.

Nevertheless, the colonialists for a long period of time had not dared to cross the traditional customary boundary between China and India. Not until the later period of World War II did they send troops across the boundary and occupied a small area of China's Tibet. After India's independence in 1947, the Indian authorities not only succeeded to the illegal occupation of Chinese territory by the colonialists, but pushed further north and occupied large tracts of Chinese territory. They continued with such acts of invasion and occupation even after the founding of New China. Around the time of 1953, they gradually expanded their control to areas along the illegal "McMahon Line".

In 1954, the Indian authorities set up a so-called North-East Frontier Agency in this part of Chinese territory under their illegal occupation. They also revised their official map, marking the "McMahon Line" as a "delimited line" of the eastern sector of the Sino-Indian boundary. In 1972, India turned this area into the so-called union territory of "Arunachal Pradesh."

China has never recognized the so-called North-East Frontier Agency or union territory of "Arunachal Pradesh" established on Chinese territory south of the "McMahon Line" under India's illegal occupation. On 8 and 9 December, 1986, Lok Sabha and Rajya Sabha of the Indian Parliament adopted a bill, upgrading union territory of "Arunachal Pradesh" to the level of "state". On 11 December, the spokesman of the Chinese Foreign Ministry made a statement, pointing out that this act of India has once again seriously violated China's territorial integrity and sovereignty and deeply hurt the feelings of the Chinese people. The Chinese Government has solemnly declared that the afore-mentioned bill passed by the Indian Parliament is entirely illegal and the China will never recognize the so-called "Arunachal Pradesh".

NO END TO STALEMATE IN AFGHANISTAN SEEN

HK180623 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 17 Dec 86 p 6

[Article by correspondent Shi Zongxing (0670 1350 2502): "No Breakthrough in Afghan Stalemate"]

[Text] There was no breakthrough in the stalemate in Afghanistan in 1986, in the military situation or in progress toward a political settlement.

Moscow let it be known at the beginning of the year that there would be "major progress" in a political solution of the Afghan problem this year and announced that the Soviet Union was preparing to withdraw troops from that country "in the very near future." Developments over the past year have shown that Moscow was just engaged in bluff and bluster and striking a pose without taking any significant action at all. At the two rounds of indirect talks in Geneva during the year, the Soviet Union stuck to its position and refused to submit a reasonable troop withdrawal timetable, and as a result the talks marked time and got nowhere. The Soviet Union's "partial troop withdrawal" in the second half of the year was no more than a "propaganda move" that did not weaken its military strength in Afghanistan in the least.

Launched under cover of a "peace offensive," this year the Soviet Army's attacks on the resistance forces were more fierce and more frequent than in previous years; relying on its "air superiority," the Soviet Army indiscriminately bombed and strafed areas of guerrilla activity and instituted a "scorched earth policy" in a bid to reduce the vital forces of the guerrillas and cut their ties with the outside world. In order to keep control of Afghanistan for a long time, the Soviet Army also stepped up the construction of various military installations and vigorously created "no man's lands" and "security defense zones" around the major towns and military bases. In coordination with military encirclement and suppression, the Soviet Union and the Kabul regime have frequently sent spies among the guerrillas to split and disintegrate them and assassinate their commanders. Armed incursions and terrorist sabotage operations against Pakistan have also been notably stepped up.

These Soviet moves in intensifying the war show yet again that it has not the slightest sincerity in seeking a political settlement of the Afghan problem. Its glib talk about "political settlement" is simply aimed at dragging things on, to reach its goal of achieving a military settlement under the cover of a political settlement.

However, these Soviet schemes have not succeeded. Its "peace offensive" has gone bankrupt; its military attacks have not gained success. [paragraph continues]

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Far from being weakened, the Afghan people's resistance forces have developed further; the morale of the resistance fighters is high, there has been a marked improvement in their weapons and equipment, they are becoming more and more experienced in combat, and there have been big improvements in their strategic and tactical standards. This year, the guerrillas in the northern provinces bordering the Soviet Union effected a grand alliance and set up a unified command structure, resulting in an unprecedentedly vigorous resistance struggle. The facts have proved that the Afghan resistance forces have the capability to make unremitting efforts amid adversity and are also capable of sustaining for a long time this struggle against Soviet aggression.

This hot spot -- Afghanistan -- will not cool down in the near future. First of all, although the Soviet Union's strategy is more flexible than before, there has been no change in its basic policy. The Soviet Union's invasion of Afghanistan was based on its global strategy; for the sake of gaining strategic advantage in the Gulf region, it will not lightly abandon the Afghan springboard. This means that in the negotiations it will continue to insist on political conditions beneficial to itself, while on the battlefield it will not relax its military pressure on the resistance forces. Second, the Kabul regime is extremely brittle, making it impossible for the Soviet Union to extricate itself in the near future. Although the Najibullah puppet regime newly propped up in May by the Soviet Union has taken some consolidating measures, these have not yielded marked results. The party remains locked in internal intrigues, the populace is seriously disaffected, and there are cases of army mutinies and desertions. Since the puppet regime is unable to stand up by itself, the Soviet Union will certainly not lightly withdraw its troops.

The key to resolving the Afghan problem lies in Moscow. Since the Soviet Union lacks sincerity, the Afghan problem will continue to "drag on" and the stalemate that has lasted many years can hardly be broken in the near future.

NEPALESE PRIME MINISTER MEETS XINHUA DELEGATION

OW181208 Beijing XINHUA in English 1151 GMT 18 Dec 86

[Text] December 18 (XINHUA) -- Prime Minister Marich Man Singh Shrestha said here today the friendship between Nepal and China has taken roots in the hearts of the people.

The prime minister made the remarks while receiving the visiting delegation of the XINHUA NEWS AGENCY led by the agency's Deputy Director-General Zeng Jianhui here this afternoon.

On another occasion yesterday, Nepalese Parliament Chairman Nava Raj Subedi also met the delegation when he expressed his happiness to have received an invitation from Peng Zhen, chairman of the Standing Committee of the Chinese National People's Congress, to visit China next year.

Earlier today, Nepalese Foreign Minister Sailendra Kumar Upadhyaya praised China's support for the proposal that Nepal be declared a zone of peace when he met the delegation.

The three-member delegation arrived here on December 14 for a six-day visit at the invitation of the Nepalese Government and will leave here for Dacca tomorrow for a four-day visit to Bangladesh.

BENIN PRESIDENT REACHES END OF CHINA VISIT

OW181410 Beijing XINHUA in English 1329 GMT 18 Dec 86

[Text] Guangzhou, December (XINHUA) -- Benin President Mathieu Kerekou ended his four-day Guangdong tour and left here for Beijing this afternoon in the company of Ye Rutang, minister of Urban and Rural Construction and Environmental Protection.

The president praised the Shenzhen Special Economic Zone in Guangdong for its inspiring achievements while visiting a local exhibition this morning.

He also visited a joint-venture bicycle company run by Shenzhen and Hong Kong entrepreneurs and noted that the bicycles are quite fit for Benin people.

Kerekou arrived in Shenzhen from Guangzhou, capital of this South China province, yesterday morning and visited the Shekou Industrial area there in the afternoon.

During their Guangdong trip, the Benin guests also toured the countryside near Guangzhou.

Farewelled by Zhao Ziyang

OW190720 Beijing XINHUA in English 0656 GMT 19 Dec 86

[Text] Beijing, December 19 (XINHUA) -- Benin President Mathieu Kerekou and his party left Beijing for home via Moscow this morning at the end of his official, goodwill visit to China.

Chinese Premier Zhao Ziyang saw the president off at the Diaoyutai state guesthouse prior to his departure for the airport.

Describing the week-long visit as successful, Zhao said that the tour would further strengthen the friendship and cooperation between the two countries.

Kerekou said that he is highly satisfied with the results of his visit.

"I hope that our two countries will have more cooperation in both international affairs as well as in our bilateral relations," he said.

Kerekou and Zhao also attended a ceremony this morning at which an agreement on China providing Benin with an interest-free loan and a protocol on the management of Lokossa textile mill in Benin under Chinese aid were signed.

Chinese Foreign Economic Relations and Trade Minister Zheng Tuobin and Benin Minister of Foreign Affairs and Cooperation Frederic Affo signed the two documents on behalf of their respective governments.

LIAOWANG DISCUSSES ENTERPRISE BANKRUPTCY LAW

HK180851 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 50, 15 Dec 86 p 1

["Letter from Beijing" by Bao Xin (7637 0207): "From Drafting to Adoption of the Enterprise Bankruptcy Law"]

[Text] My brothers:

On 2 December 1986, the 18th Session of the 6th NPC Standing Committee took a vote on the "PRC (Trial) Enterprise Bankruptcy Law" and adopted it with 101 votes for, none against, and nine abstentions. Your letter I received a few days ago said that a rumor got about among some overseas people that the Enterprise Bankruptcy Law drafted by the "reformists" had been "voted down" by the "conservatives." Now facts have fully shown the absurdity of the unfounded rumor.

It took more than 2 years to complete the whole process of enacting the Enterprise Bankruptcy Law, from drafting to final adoption. This was a process of repeated investigations, studies, democratic discussions, and revisions. Last June, the State Council officially submitted the bankruptcy law draft to the 16th Session of the 6th NPC Standing Committee for deliberation. At this session, and the following 17th Session of the NPC Standing Committee, the committee members heatedly discussed the bill and aired their own views. Some important different opinions were also put forward. In order to handle this matter prudently, the chairman and vice chairmen of the Standing Committee proposed that the 17th session of the committee did not take a vote on the bill, leaving it to the NPC Standing Committee's Law Committee and other departments concerned for further investigations, studies, and revisions. This was not a matter of "being voted down." After the meeting, some NPC Standing Committee vice chairmen and members went to Beijing, Tianjin, Shanxi, Guangdong, Sichuan, Shanghai, Ningbo, Shenyang, and Wuhan to make in-depth investigations. The NPC Standing Committee's Legislative Affairs Commission once again solicited opinions from provincial, municipal, and autonomous regional People's Congress Standing Committees and various central departments. The NPC Law Committee, together with the State Economic and Financial Affairs Commission, held an 8-day forum attended by more than 50 NPC Standing Committee members and responsible people from provincial People's Congress Standing Committee from 12 provinces and municipalities and responsible people from the central departments concerned, according to opinions from parties concerned, the law committee submitted the revised bankruptcy law draft to the 18th Session of the NPC Standing Committee for redeliberation.

The NPC Standing Committee members cherished a positive, serious, prudent, and responsible attitude to deliberate the draft bankruptcy law. They generally held that the bankruptcy law is an inevitable product of China's socialist commodity economy, and is a major step in economic structural reform. However, further investigations are necessary to make sure that the conditions for enforcing this law are ripe. They gave more thought to such questions as the feasibility of the bankruptcy law, the guarantee for the basic livelihood of workers in bankrupt enterprises, the fair apportioning of responsibility to cadres in the bankrupt enterprises, and a whole set of backup laws and regulations for implementing the bankruptcy law... All these considerations were based on their sense of responsibility for the interests of the people and the state, and there was an issue of one faction "voting down" the other faction. The practice of recklessly putting political labels on other people has long been unpopular in China. After the downfall of the "gang of four," such erroneous practice is not only unpopular, but is also a target of public criticism, in China.

In the course of deliberating the Enterprise Bankruptcy Law at the 18th Session of the NPC Standing Committee, many members held that the revised draft had improved after it had taken into consideration people's opinions, and it was a good method to first enforce it on a trial basis within a certain time, so that it could be further improved. In addition, in the more than 2 months since the 17th session, the State Council promulgated four interim regulations on labor system reform and three regulations on the plant director responsibility system, enterprise party committees' and trade unions. To a certain degree, they provided backup legal conditions for the bankruptcy law. Therefore, some members who previously did not agree with the adoption of the bankruptcy law changed their opinion. After the draft of the law was once again revised at the 18th session, it was finally adopted. It will be put into trial implementation after the Law on Industrial Enterprises (which is now being deliberated upon by the NPC Standing Committee) is enforced for 3 months. Then, the backup legal conditions for implementation of the bankruptcy law will be better.

The NPC is the China's supreme state power organ. The NPC and its Standing Committee exercise the legislative power of the state. When the people's deputies are performing their legislative functions, it is normal that they may hold different opinions and views. As some Standing Committee members said when discussing the bankruptcy law, the NPC's legislation work is based on practice, and mature principles and policies are codified into law. When practical experience is neither mature nor sufficient enough, it is normal that NPC Standing Committee members hold different opinions. This reflects their serious and prudent attitude toward legislation work.

In recent years, the NPC and local people's congresses at various levels have played a great role in strengthening democracy and the legal system. They exercise state power on behalf of the people, and supervise the work of governments, courts, and procuratorates at all levels. They have created some effective methods in performing these functions. For example, the Tianjin Municipal People's Congress Standing Committee set up a system of holding regular discussion meetings between people's deputies and municipal government officials in 1983. At the annual discussion meetings, the people's deputies aired their electorate's opinions and commented on the work of the municipal government. The government made decisions on issues which it could settle immediately and gave reasonable explanations on issues which it could not settle straight away. In China, which lacks the tradition of democracy and rule by law, protracted efforts must be made to develop democracy and the legal system. It is a fact known to all that China is vigorously marching in this positive direction.

TAXATION BUREAU DIRECTOR VIEWS REGULATING TAX

0W160014 Beijing Domestic Service in Mandarin 0200 GMT 12 Dec 86

[Radio talk by Jin Xin, director of the General Taxation Bureau under the Ministry of Finance]

[Excerpts] Dear Listeners, let me talk about problems relating to the levying of regulating taxes on personal income. The State Council recently decided to levy a regulating tax on personal income and promulgated the PRC Provisional Regulations of Regulating Tax on Personal Income which will be effective as of 1 January 1987. The new tax is adapted to needs arising from China's reform of its economic structure. [passage omitted]

Why this regulating tax on personal income? As we know, the personal income of Chinese people has witnessed a great change since the 3rd Plenary Session of the 11th CPC Central Committee.

That was due to party and Government implementation of a series of get-rich policies which helped further develop the socialist commodity economy. Generally speaking, people's average income has increased. Of course, disproportion still exists. [passage omitted on explaining new sources of personal income]

To effectively control the increase of consumption funds and to better solve the problem of huge income gaps among social members, the application of a taxation lever, the regulating tax, is called for.

Who are the persons required to pay the personal income regulating tax? The regulations stipulate that Chinese citizens residing and earning income in China have, as taxpayers, the duty to pay a personal income regulating tax. But this does not mean that everybody has to pay this tax, regardless of his income. Only those citizens whose personal incomes exceed the stipulated taxation standard are required to pay the personal income regulating tax. Let us take the Beijing area as an example. A person earning a daily general personal income of more than 400 yuan is required to pay the regulating tax on the excess of more than 400 yuan is required to pay the regulating tax on the excess amount according to stipulated tax rates. For example, if a person's general income reaches 500 yuan, he is exempted from paying tax on the portion under 400 yuan, but is required to pay tax on the 100 yuan portion, according to stipulated tax rates. As the base tax calculation for the personal income regulating tax was set relatively high, only a very small minority of Chinese citizens are required to pay the new tax. The majority do not need to pay the personal income regulating tax. Of course, with the development of the national economy and the rising level of personal income, there will be more and more citizens paying personal income regulating taxes in the future. That can only mean that Chinese people are getting richer and richer, and that we are coming closer to the goal of common prosperity. [passage omitted on need to explain the new law and on citizens duty to pay tax]

Finally, the 1980 PRC Personal Income Tax Law promulgated by the National People's Congress is still in force, notwithstanding the creation of the personal income regulating tax. As for foreigners living in China, they are only required to pay the personal income tax, not the personal income regulating tax. Chinese citizens paying the personal income regulating tax are not required to pay the personal income tax. That's all. Thank you.

RENMIN RIBAO SEES PARTY MEMBERS AS ORDINARY PEOPLE

HK170649 Beijing RENMIN RIBAO in Chinese 14 Dec 86 p 1

[Article by Zhong Huai (6988 2037): "Party Members and Cadres Are No More Than Ordinary People"]

[Text] This title has been chosen after reading two articles.

The first, published in JIEFANG RIBAO, says that general party branch secretary of a certain factory decided to get a divorce after his marriage broke up and the couple had lived separately for 7 years. His 16-year-old son accepted his decision. However, a leader at a higher level said: "You are a party member and a general party branch secretary. Do you know what impact your divorce would have? How could you publicize the building of spiritual civilization among the workers?"

The other, carried in RENMIN RIBAO, says that a girl of a certain unit in Pingguo Country, Hebei Province was engaged in youth league work and long ago applied for party membership. However, the responsible person of the party organization of that unit said that she wore a skirt that created a bad image and refused to accept her application for party membership.

The authors of the two articles call for breaking with traditional views and concepts. Undoubtedly, this is correct. I would like to add one more point: Party members and cadres are no more than ordinary people.

We often said in the past that party members were made of special material. This means that party members should have the spirit of dedicating themselves to the realization of communism and willingness to make self-sacrifices for the interests of the people. On the battlefield, they should always be in the van. During peacetime, they should be the first to bear hardships and the last to enjoy comforts. In these respects, they should manifest their communist consciousness and their "specific characteristics."

Nevertheless, party members and cadres are no more than ordinary people. Besides wholeheartedly serving the people, they have the right to think of their reasonable personal interests. As they are human, they also have the seven human emotions. They have personal interests and hobbies including dancing, enjoying music, and playing bridge during their spare time. They have different aesthetic standards and artistic likes. They have their own families and may either be pleased with their happy life or feel vexed because of the crisis of their marriage and even ask for a divorce. Everyone has a love of beauty. Young party members, women comrades in particular, like to make themselves look beautiful and follow "new fashions." These interests are nothing for ordinary people. Why then should these become problems for party members, particularly people who have applied for party membership?

Apart from the traditional ideas (mainly feudal ideas), the matter is closely related to the improper "image of party member" in the eyes of some comrades. According to these comrades, a party member should read Marxist-Leninist classics from morning to night, dress plainly, be serious in speech and manner, lead a simple life with few desires, hold himself aloof from the world....In a word, every single move of a party member should be different from those of ordinary people. In fact, the party judges whether a member is qualified from reality rather than formality. The party never exterminates the personal interests and hobbies and individual character of its members. Party members should manifest their "specific characteristics" only under circumstances in which they are required to do so. We cannot demand party members be different from ordinary people and be "specific" on every matter. Otherwise, it will divorce the party from the masses. The editors of Guangzhou's NANFENG CHUANG [SOUTH WIND WINDOW] told this author that they published the articles of two mayors. One expresses his views on discotheques, while the other says that he liked reading the reflective poems of Su Ting during his spare time. The readers were touched by reading these articles. This narrowed the gap between leaders and the masses. Can we not realize the truth from this story?

DRAMATIST URGES ABOLITION OF CENSORSHIP

HK101338 Guangzhou YANGCHENG WANBAO in Chinese 4 Dec 86 p 6

[Article by Wu Zuguang: "Censorship of Dramatic Works Ought To Be Abolished" -- written in the early morning hours of 30 September 1986]

[Text] It is reported in newspapers that the Soviet Union has abolished censorship of dramatic works.

I do not know if this news has caught the attention of the Chinese theatrical circles. As far as I am concerned, it has left a deep impression on me.

Half a century ago, in 1937, the year the War of Resistance Against Japan broke out, I entered the theatrical circles by writing my first play. Prior to this, modern drama did not occupy an important place in the life of the Chinese people. Because this type of drama could easily reflect the phenomena and manifestations of life at that time and expressed people's ideas and sentiments, it immediately became the most powerful weapon of encouragement and publicity in the great all people's war of resistance.

In the War of Resistance Against Japan, which lasted for 8 years, modern drama developed on an unprecedented scale. It still remains most glorious historical period in the history of Chinese modern drama to this day. In the first 2-3 years after the war broke out, operas were not subject to excessive censorship from the government authorities. Beginning in the 1940's, however, the decadent KMT was aware that, under the influence of the CPC, the broad masses of the people were increasingly dissatisfied with the reactionary government and that the cherished increasingly stronger aspirations for a democratic revolution. For this reason, it was extremely sensitive and frightened. It instituted and gradually stepped up, a system of censorship toward literature and art, and particularly modern drama. Controlled by the Propaganda Department of the KMT Central Committee, the "Central Publication Censorship Committee" assumed the task of an executioner. Although the system of censorship was rapidly intensified, the criteria and methods of censorship were very simple. They were: The negative characters in plays or the ones negated or satirized, certainly alluded to the KMT; the positive characters in plays or the ones affirmed or praised, certainly referred to the CPC. All this showed that the KMT, which was extremely decadent, had completely lost its self-confidence and that it had gone on the defensive, heading toward its own destruction. It also made people feel that this regime had come to its end.

In 1949, after 3 years of liberation war, the Chiang Dynasty was eventually driven out of the mainland and fled to Taiwan. The New China was about to come into being. Feeling very excited, I wrote an article entitled "Seeing Off Censorship," which was published in Hong Kong's WEN WEI PO. At that time I worked as a film director in the Hong Kong Yonghua Film Studio. The day the article was published, I came across Li Zhuyong, the boss and general manager of the studio. He said: "It is all very well to abolish the system of censorship, but..." With a cunning smile, he asked: "Don't you think the New China will censor modern operas and films? Things may not necessarily turn out that way...."

At that time I did not approve of his adopting this skeptical attitude. However, I bitterly realized a few years later that I was wrong.

In our socialist New China, an irrational policy of control toward literature and art circles was adopted in the early years of the founding of the PRC. Moreover, differences of view and of literature and art theories were frequently raised to the high political plane. I had never expected such a state of affairs and for a long time failed to imagine or to understand this.

In my view, literature and art is a public undertaking and a major component of spiritual civilization. Besides beautifying life, it also plays the role of probing, spurring on, and criticizing human society. It is not something to be hidden after being finished but something to be made public. In ancient times some works were "hidden in famous mountains" but these were the result of a despotic rule. Were they not hidden there with the aim of being "passed on to the future generations?" It is precisely for this reason that the fate of a work should not be decided by a handful of people, or even by a person, with power and influence or with a remark. Only the broad masses of the people, namely, the readers or audience, have the right to evaluate literary or artistic works.

For many years, some leaders have overestimated the role and influence of literary or artistic works. In fact, in the history of mankind, neither in a dynasty nor in a place has there been a novel, a play, or an artistic work which has shaken the foundation of a state or endangered its existence.

What on earth is the purpose of exercising censorship over literature and art at every level and "flagrantly interfering" in them? There can only be one answer, namely, it is actuated by a mentality of fear, of fearing the masses, and of not believing the masses. Because such people obviously have some shortcomings, are conservative, and are unwilling to make improvements. They are afraid that their shortcomings will be pointed out by others. For this reason, they are always terribly suspicious, sticking to old conventions and suffering mental disorder.

At the fourth congress of Chinese writers and artists in 1979 Comrade Deng Xiaoping pointed out: "What subjects writers should choose for their creative work and how they should deal with those subjects are question that writers should decide for themselves. There should be no arbitrary meddling in this process." At the congress of Chinese writers in 1984, on behalf of the CPC Central Committee Comrade Hu Qili once again guaranteed "freedom of creation." In spite of this, however, unreasonable restriction of creation has not stopped. There have been numerous cases of novels, dramas, films, and even poems being subject to interference.

Although the times are different, there must be no wavering in implementing the party's policy of opening up. Nevertheless, the stubborn force of the ultra-leftist elements should not be underestimated. Different categories of literature and art have been subject to different interference. For example, things are easier for novels and poems because, in censoring literary works, it is first necessary to read them carefully, word for word. More often than not the censors are unwilling to put in a lot of effort. Things are also easier for the fine arts. Music is so profound and abstruse that it can stay aloof. It is unfortunate for dramas and films -- since they are easy to understand, they are unable to escape censorship.

Quite a few actors and actresses complained to me: Although all the members of the troupe expended a lot of time, manpower, and material resources in rehearsing a play, the leaders at the higher level, who had been invited to examine the play, did not show any reaction but kept silent for a long time, obviously finding it difficult to pass judgment. They neither negated nor affirmed the play and, after nodding and then shaking their heads, left without a word. As a result, all the manpower and material resources were wasted and the play was given up before it got started. Why is it that such things have repeatedly occurred? Out of fear, some leaders are afraid of assuming responsibility. And, due to their poor level of understanding, they are not clear whether a play is politically and ideologically questionable. Since they are unwilling to take the blame if problems should arise, it might be better for them if the play were to be performed.

As for films, things are even more serious. How many films have been completed but have to be placed in warehouses because they cannot be shown? It even caused a sensation throughout the world when a film was not only banned but also criticized in public. Is not this still fresh in our memory?

I can also cite examples of a similar nature, showing how newspaper and magazine editors want only deleted and changed articles. Why is it so? It is because the editors have developed a mentality exactly the same in nature as the censors of dramas and films. They should accept the consequences, the so-called "political responsibility," for the articles published.

Here I must mention the capitalist countries. They do not have a system of censorship for dramas, films, and other literary works. Even after they become rulers of the state, the bourgeois politicians in the West dare not impose restrictions or make criticism. They cannot abuse their positions of power to strangle public opinion, still less can they interfere in the creative work of artists. In fact, the reason for such a phenomenon in the capitalist countries is very simple. It is simply because creative freedom is protected by the law there. All people have such rights, while "flagrant interference" is an illegal act. In the "Constitution of the PRC," there were clauses long ago guaranteeing freedom of speech, of the press, of literature and art creation, and other cultural activities. Interfering in these freedoms is obviously an illegal act. From the legal point of view, censorship of dramatic work, which is diametrically opposed to freedom of creation, has always been illegal.

In China, where the feudal system and ideas have ruled for several thousand years, the will of senior officials has always prevailed. Such feudal ideas have seriously harmed the socialist New China. If we had attached the same importance to democracy and legality in the early period of the People's Republic as we do today, it would have been impossible for the various extremely destructive political movements to have arisen, leading to such an unprecedentedly disastrous tragedy as the 10 years of the "Cultural Revolution," which defied laws both human and divine. Today, party and Government leaders attend lectures on the legal system given by legal experts. At first I merely thought it was interesting. After pondering it, I have come to realize the solemnity and urgency of this action and its tremendous influence.

Should not literature and art creation be kept within bounds? Of course it should. It should be kept within the bounds of the law; the law is the only restraint. With the exception of this, creative work is free. By the same token, there is freedom to make criticism and also to make countercriticism. How can we turn out good works if, as has often happened in the past, there is a system of censorship under the manipulation of a handful of people hanging over the heads of writers and artists and it, bound hand and foot, the artists have to think all the time how their works can pass inspection?

Now that China is rejuvenating itself, it is a matter of top priority to eliminate the long-standing malpractices and to make vigorous efforts to forge ahead. For quite a long period of time we have heard too many sweet words and eulogies; it is now even more necessary to listen to some criticisms since there have not been many plays and films making criticisms and putting forward suggestions.

As long as the system of censorship exists, which is like a shackle, it will be impossible to bring prosperity to creative work. The sanctity of the law and the authority of the Constitution are unquestionable. However, when has "freedom of creation," which was promulgated in the Constitution long ago, been genuinely valued? Moreover, how ridiculous it is for whoever is in power to censor artistic works and to determine whether a play or film is good or bad and whether it should live or die!

I have checked some data: On 22 December 1956 the Ministry of Culture announced that the systems of censoring films would be abolished as of 1 January 1957. Apparently, it was a mere scrap of paper for it has never been implemented. In the ensuing years countless films were in trouble although the announcement has never been officially repealed.

In fact, we shall be able to understand it if we calmly ponder the question. If the censorship of dramatic works should be abolished one day, it is the leaders at or above the theatrical company level, and not the writers of literature and art workers, that will be emancipated first. [paragraph continues]

How happy and delightful it will be if this absurd mental burden is lifted one day! I have seen on numerous occasions that in literature and art circles the innocent leading cadres at various levels were embarrassed when, after seeing an opera, they were caught in a dilemma, not knowing what to make of it. From the bottom of my heart I protested against the injustice inflicted upon them. Naturally, there are also some leaders who find it a pleasure to investigate others and a pain to lose power. This is quite another matter. As for those editors, they are also innocently involved. It is necessary to restore the old tradition of holding writers and playwrights responsible for what they write because this conforms to reason and heavenly principles. Therefore, in addition to freedom of creation, it is also necessary to guarantee freedom of editing. This should not be neglected either.

From the various indications that have taken place around us since the 3d Plenary Session of the 11th CPC Central Committee, I have a feeling that the numerous self-inflicted obstacles are being gradually removed. The cultural authorities in Shanghai, a cultural city of which I have the best recollections, have reportedly signed an agreement with the Shanghai Shaoxing Opera Theater, giving up their right to exercise censorship. This represents a flower heralding the arrival of spring and is a sign of the times. I hope that the New China, which is recovering its self-confidence, restoring its prestige, pressing forward with indomitable will, and carrying out a great plan, will boldly and completely abolish all systems of censorship in literature and art and ideological circles. I hope it will completely and unreservedly believe that its heroic and long-tested sons and daughters, who have gone through all kinds of hardships and difficulties, will follow their own roads, usher in the excellent situation of reform and opening up, and initiate a new field of vision. This moment will come soon. In Hong Kong 37 years ago, the boss of the film studio in which I worked and I had different views on the question of censorship. But this system was only a lamentable indication of a declining age and not a piece of welcome news in a flourishing age. Facts will prove that the final victory will surely be mine.

After I wrote this article, I read with joy that the "Resolution of the CPC Central Committee on the Guiding Principle for Building Socialist Spiritual Civilization," adopted on 28 September, once again guaranteed academic freedom and freedom of creation. From the bottom of my heart I believe the reliability of this guarantee. There is a growing possibility that the system of censorship will be abolished. Here I would like to quote a sentence: China's literature and art circles will release energy on an unprecedentedly large scale.

DISCUSSION ON DIVIDING ACADEMIC, POLITICAL ISSUES

HK110951 Beijing GUANGMING RIBAO in Chinese 30 Nov 86 p 1

[("Weekly Commentary": "Is It Necessary To Separate Academic From Political Issues?")

[Text] Not long ago, with the purpose of enlivening academic discussion, some comrades proposed appropriately differentiating academic issues from political issues and also advocated discussing political issues on a free basis. At present, it is absolutely necessary to raise this question to attract attention to it. However, the method of raising this question must also be specifically analyzed. Otherwise, it is likely to become abstract and cause errors.

Generally speaking, people agree that academic issues and political issues are both different and related. The question then is what is the specific meaning of "political issues." If it refers to political science, it is itself an academic issue. [paragraph continues]

In this sense, academic and political issues are completely unified. However, by my understanding, the political issues people refer to do not mean this, or at least are not confined to this. The political issues they refer to are, in fact, not academic issues. Academic and nonacademic issues are not the same thing, and people should not mix them up simply because they are related. As things in the world are generally related, should we therefore not differentiate between them because of their relatedness? Therefore, while discussing whether we should differentiate academic from political issues, we should also specifically analyze the political issues.

Of course, when we say that academic and political issues can be differentiated and that political issues themselves should also be differentiated, we do not mean that political issues should not be discussed. As a kind of mere paper discussion, academic issues should be discussed freely. Moreover, people should participate in the discussion in their capacity as scholars, in a theory-versus-theory or talk-versus-talk pattern and on an equal footing. As there is no ranking involved, people should neither easily negate the works of others simply because of one or two casual sentences nor hinge their conclusions on a vote or the opinions of authoritative persons. To settle academic debates, we can only use the methods of discussion, criticism, and countercriticism, but not the methods of killing, imprisonment, dismissal, and punishment. As the discussion of political issues is more complicated, the methods should also be different. The discussion of political science and theories should be conducted just like academic discussion. However, regarding the principles and policies enacted according to the party and state constitutions, even if there are different opinions, the discussion should be conducted in an appropriate form and scope. Of course, everyone has the right to speak on politics. Nevertheless, on whether the discussion should be made public or when and where the discussion should be made public, a prudent attitude must be adopted. In other words, in resolving nonacademic political issues, there is also an issue of democratic centralism, of the lower level being subordinate to the higher level, the minority being subordinate to the majority, and the whole party being subordinate to the central authorities. Just think! If someone openly opposes the reform and the policy of opening up to the outside world, even though his opposition is only limited to speeches, the issue cannot possibly be resolved through just one or two discussions. It will not be improper if party and government organizations step in to criticize him or to interfere. If he acts to undermine the reform and the policy of opening up to the outside world, he should all the more be dealt with according to party discipline and state laws. Should we not dismiss the person if he is a leading position but opposes the reform and the policy of opening up to the outside world? However, regarding those issues which belong to politics but which remain in the scope of academic theory and do not involve current laws and policies, it is all right to discuss them as academic issues. If people have different opinions on current laws and policies, they should pass their opinions to the higher levels according to organizational procedures or raise their opinions in internal journals or at internal meetings, and should not be dealt with politically and punished organizationally at every turn.

Therefore, we can see that as compared with the means for settling academic debates, the means for resolving political issues should be many and varied. If people just generally say that political issues and academic issues should not be or must be differentiated, some unexpected consequences might ensue: They might resolve academic issues with the means for resolving political issues, or affect the smooth implementation of current principles and policies. Therefore, it is reasonable to observe that academic and political issues cannot be completely differentiated. However, we should not completely equate these two kinds of issues because of this. In resolving specific issues, we should pay more attention to the difference between the two. [paragraph continues]

If it is difficult to differentiate, we should all the more differentiate them. As for how to differentiate them, as it is very complicated, we need to make analyses on the merits of each specific case and should not act too simplistically.

ARTICLE PROMOTES DEMOCRACY IN ACADEMIC ACTIVITIES

HK120455 Yinchuan NINGXIA RIBAO in Chinese 27 Nov 86 p 3

[Article by Zhu Changping (2612 2490 1627): "Heartening News" -- Reflections on Reading of Newspapers"]

[Text] On 7 November, WEN HUI BAO published an article entitled "The Two Concepts of Freedom Should Not Be Mixed Up" by Yu Haocheng, which proposes to discuss with Wu Jianguo his article entitled "Reflections" on the Issue of Freedom." This is a thought-provoking article. With no intention of judging the right or wrong of the two articles, I just want to say a few words outside the issue of "freedom" in this article.

As we all know, Comrade Wu Jianguo's article was carried in HONGQI. As HONGQI is the top theoretical journal in the country and moreover his article has been recommended as a document for cadres to study, according to the previous practice, even if people had some different opinions, they could only keep it to themselves and did not dare to reflect on "the reflections." Even though things have changed over the last few years, it still takes some courage to write such an article as Yu Haocheng's. I think that Comrade Yu Haocheng's spirit should be emulated by the vast numbers of the theoretical workers.

The reason Comrade Yu Haocheng dared to write such an article is because he felt that the severe winter strangling democratic academic activities had passed and the spring for democracy in academic activities had come. Although people still have to take some risks in theoretical exploration now, the phenomena whereby people might easily get killed at any turn have become things of the past. Although a small number of people were unfairly treated because of academic issues in recent years, they did not lose their political rights and freedom of speech, nor were their families implicated. This shows that since the 3d Plenary Session of the 11th CPC Central Committee, political life within the party has become normal and an atmosphere of everyone being equal before the truth and a relaxed and harmonious environment have been gradually created.

The spirit of the editors of WEN HUI BAO is admirable. One of the reasons why WEN HUI BAO is a newspaper with a bigger impact and numerous readers is that it dares to carry the voice of the people and the times. Notwithstanding that both newspapers and their editors suffered a lot under the guidance of the "leftist" ideology, they did not just passively draw lessons but vied with each other during the reform to practice the "double hundred principle" and cultivate young people who dared to contend. Such spirit should be praised and emulated.

It is inspiring news that some people dare to think and write about, and some newspapers dare to carry articles on, those extremely sensitive social issues. This shows that academic democracy is really steadily and gradually advancing. Both Yu Haocheng's article and Wu Jianguo's article were published at the beginning of this month. Half a month has already passed and everything is normal. This incident itself can explain many things and is more convincing than 1,000 sentences guaranteeing "not to cudgel and label people."

It is not accidental that the atmosphere of academic democracy in our country is getting thicker and thicker and Yu Haocheng's article could be published in WEN HUI BAO. Before this incident, Wang Ruoshui published the book "In Defense of Humanism." Containing two articles openly debating Comrade Hu Qiaomu, it set a precedent for discussing issues with the leaders of the central authorities on an equal footing. Not long after that, a newspaper in Shekou carried an article by Yuan Geng openly criticizing the No 1 leader of the zone. Just like one clap of spring thunder after another, these incidents have enlivened the dull atmosphere. We believe that the publishing of Comrade Yu Haocheng's article will play a very active role in democratizing academic activities in our country.

ZHONGGUO QINGNIAN BAO ON DEMOCRACY STRUCTURE

HK091107 Beijing ZHONGGUO QINGNIAN BAO in Chinese 2 Dec 86 p 4

[Article by Min Qi (7036 3823): "On the Function, Form, and Structure of Democracy"]

[Text] What does democracy mean?

-- Democracy means "the people's power."

This answer is not bad, but rather overly sweeping and abstract.

-- Democracy means that the people enjoy the free and equal right to vote and freedom of speech, the press, assembly, association, procession, and demonstration.

This answer is also not bad, but rather too detailed and devoid of preconditions.

In exploring and discussing democracy, it is necessary to make a functional and structural analysis and to get a clear picture of the essence, form, and basic mechanism of democracy.

Democracy is the opposite of autocracy. The function or basic essence of democracy is to eliminate the phenomena of exercising absolute power in political life to keep all power in effective check, and to ensure that the people's rights will not be infringed on by state authority.

To embody this function of democracy, two forms of democracy emerged in history one after another: Direct and indirect democratic systems.

The direct democratic system is a system under which citizens directly manage officials through the right to vote and the right of recall, directly manage laws through the right of referendum and that of re-examination, and directly manage the state through the exercise of the above four rights. This form was quite fully manifested in ancient Greek city-states. Since the direct democratic system was the product of small countries with small populations, with the expansion of territories, the growth of populations, and the complexity of political life, the form steadily gave way to an indirect democratic system.

The indirect democratic system is a state form university adopted by modern countries and a democratic system under which citizens manage the state through their political representatives. [paragraph continues]

Under the indirect democratic system the means to realize the function of democracy has changed — the citizens' political participatory mechanism and the restrictive mechanism of the structure of state power have replaced their direct "power in making decisions" and direct "power in making use of personnel."

Under the indirect democratic system, the citizens' political participatory mechanism is realized through their effective exercise of the right to vote indirectly and political freedom of speech, the press, assembly, and procession and the indirect influence of their possession of the right to obtain information and to know the details of any information on the formulation of policies by the state and on their implementation. It can thus be said that without the above concrete forms and means of participation, there would be no democracy. The realization of the restrictive mechanism of the structure of state power depends, among other things, on the division of the structure and function of state power.

Only when the confusion between the function and structure of traditional social power organizations is removed and different mechanisms are made to undertake different tasks can a division of and power a balance in mechanisms be achieved. Next, the full development of various political organizations and their full participation in government affairs within the limits prescribed by the Constitution is necessary for the realization of the restrictive mechanism. The institution of the mechanism plays a highly crucial role in the political stability of a country.

According to the statistics presented by American political scientist Lao Na [0525 4780], from 1962 to 1975 there were 104 coups d'etat staged in various countries in the world. Of all sovereign countries joining the United Nations in 1975, one-fourth were ruled by the governments formed through a coup d'etat. More often than not, those who staged a coup d'etat were overthrown by other persons by staging another coup d'etat. Hence, a structure of power of the "merry-go-round" type was formed. Since African states gained independence, there have been 50 successful coups d'etat in Africa, involving some 30 countries.

In the 1970's, 10 percent of government replacements was on the average done by military power holders through staging a coup d'etat every year. However, about half of the military regimes could not survive longer than 2 years and three fifths were finished within 5 years. These phenomena can be found almost everywhere in economically backward countries where power is almost unrestricted.

The serious consequences of previous political movements launched since the founding of the PRC cannot be said to be unconnected with the unsound restrictive mechanism of our sociopolitical structure. During the 10 years of turmoil, a personality cult reached its limit, the legal system was completely ruined, and the power in the hands of a tiny number of people was so unrestricted that "people's congresses" were put aside, the State Council was subjected to humiliation, a state president was persecuted to death, and public security organs, procuratorial organs, and people's courts had been listed as things to be destroyed. Under these circumstances, the people's democratic rights were reduced to nothing and the national economy was on the brink of collapse. We must bear firmly in mind this bitter lesson. One of the important ways to avoid the recurrence of a catastrophe is to institute and perfect an effective power restrictive mechanism in the political structure while fully developing the people's political participatory mechanism.

PRC SCIENTIST ON INTELLECTUALS' PROPER STATUS

HK120641 Shanghai SHIJIE JINGJI DAOBAO in Chinese 24 Nov 86 p 3

[Report by Yan Xun [0917 6064]: "Fang Lizhi Says That China's Greatest Tragedy is That Its Intellectuals Have Not Yet Been Recognized as a Leading Force of Social Progress" -- capitalized passages published in boldface]

[Text] China's greatest tragedy is that its intellectuals have not acquired their deserved status, and that they lack independent mentality. They have not yet become an independent social force. Fang Lizhi, a noted astrophysicist, and vice president of the Chinese Scientific and Technological University, has further expressed such a view after his recent visit to Italy. In that country, he witnessed two illustrious authoritative persons, the Catholic Pope and the Italian President, listening to a report by an international astrophysical expert on popular science, and another report on observing the regression of Halley's Comet. In a developed society, it is obvious that it is knowledge and not individuals that is the most authoritative. Those who have acquired more knowledge will gain more recognition from society. Intellectuals as a whole are bound to be a leading force of social progress.

CHINA RANKS SECOND LOWEST IN THE WORLD ON INTELLECTUALS' PAY AND CONDITIONS AND EDUCATIONAL FUNDS.

This natural scientist, who has scored remarkable success, has also enjoyed high reputation at home and abroad for his boldness and straightforwardness. On 16 November, he was interviewed by our reporter in a guest house of Shanghai's Jiaotong University where he was staying. The key topic of the interview was the problem of Chinese intellectuals. Fang Lizhi maintained: There is no doubt that great achievements have been made since the implementation of the policy of opening up at the end of 1978. However, the following two most vital problems have scarcely been touched upon: The problem of intellectuals and the problem of education. According to statistics issued abroad, China ranks second lowest in the world on: 1) intellectuals' pay and conditions (in last place is Cambodia); 2) the percentage of educational funds in the GNP (last place is held by Haiti). If these two most vital problems are not solved, China's economy can never fully develop and social democratization is nothing but an empty talk.

WHY SHOULD INTELLECTUALS BE TREATED AS "HAIR" WHICH MUST ADHERE TO A CERTAIN PIECE OF "SKIN"?

According to Professor Fang, there are two reasons contributing to this reality: 1. The current leadership stratum in China and the press media which are absolutely obedient to the order issued by the "higher level" have not yet recognized intellectuals as a leading force for social progress. It seems that they do not even recognize the independent social status of intellectuals as a whole. The simple fact is that intellectuals are still regarded as "hair" which cannot but adhere to a certain piece of "skin." Actually, this not only runs counter to the reality of social development, but also conflicts with orthodox Marxist viewpoints. Marxism maintains that mastery of the most advanced social productive forces is a criterion for testing the leading force of the society. In the present-day society, knowledge and information represent the most advanced productive forces. Since these forces are mastered by intellectuals, it is natural that intellectuals are the leading force of the society.

ONCE THEY BECOME OFFICIALS, MANY INTELLECTUALS CHANGE THEIR ATTITUDE FROM BEING ABSOLUTELY OBEDIENT TO THE HIGHER LEVEL INTO BEING ABSOLUTELY CONCEITED.

2. Chinese intellectuals as a social group have a very great weakness, and a strong feudal mentality. They lack their own independent mentality and standard of value, always yield to power, and link their prospects with an official career. For example, in the academic circles, some scholars do not regard the views and comments of other scholars in the same field as the highest standard. What they follow is the opinions of certain officials, or what the newspapers say. In the leadership strata, once they become officials, many intellectuals change their attitude from being absolutely obedient to the higher level into being absolutely conceited. They suppress and attack other intellectuals. This is, in fact, the two sides of feudal mentality, which reflect the quality of Chinese intellectuals.

Judging from the present reality, will the leading status of intellectuals be established in the Chinese society? Can Chinese intellectuals thoroughly remold themselves? In other words, what are the prospects for solving the basic questions arising in the process of modernization and democratization in China? Although Fang Lizhi raised so many questions in front of this reporter, he gave neither positive nor negative answers. However, he expressed the following view: We should rely on outside forces to promote social progress in China, and to change concepts in the society in particular, in order that we will be able to enhance spiritual civilization. This means we should rely on the policy of opening up.

Comrade Deng Xiaoping has time and again stressed that China is firm and unshakable in implementing the guiding principle of opening up to the outside world. In view of this, we have reason to feel optimistic about our future. However, to date we are still far from achieving the aim which ensures that opening up to the outside world will not reverse the social mechanism we need. In this regard, intellectuals in the contemporary era are urged again to undertake their historical mission.

INTELLECTUALS SHOULD STRAIGHTEN UP THEIR BENT BACKS, AND NEVER PLACE THEIR FATE ON CERTAIN OFFICIALS.

Therefore, Chinese intellectuals are facing a severe challenge. Whether Chinese society will march toward modernization and democratization is determined, to a very great extent, by the success of the Chinese intellectuals of the present generation in remolding themselves. One point which is worth mentioning here is that the remolding of intellectuals, which we mention here, is completely different from the reform of intellectuals which was stressed during the Great Cultural Revolution.

Fang Lizhi pointed out sharply: Chinese intellectuals should straighten up their bent backs. They should not be completely obedient to the higher level, or wait for orders from 'above' when dealing with things, still less place their fate on the favor bestowed by certain officials. Fang Lizhi maintained that once intellectuals show their independent character, they will demonstrate their strength immediately. This is because "knowledge means strength."

Fang Lizhi further stressed: Chinese intellectuals should place their hope on the young intellectuals who are growing up during the 1980's. Many people in the society have complained that young people of this generation lack ideals, and that they think too much about themselves. Fang Lizhi emphasized: In a certain sense, it is precisely because of this that we place our hope on intellectuals of the 1980's. Because intellectuals of the younger generation have their own independent mentality, and have begun to show their strong desire for mastering their own fate. All this is exactly what the present era needs.

MINISTER ON CULTURAL POLICY FOR SPECIAL ZONES

HK080259 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1025 GMT 7 Dec 86

[*"Gao Zhanxiang on Culture in Special Zones"* -- ZHONGGUO XINWEN SHE headline]

[Text] Shenzhen, 7 Dec (ZHONGGUO XINWEN SHE) -- Not long ago, Gao Zhanxiang, vice minister of culture, said at an interview with SHENZHEN TEQU BAO that culture in the special zones should also be special, so some special cultural policies will be formulated to ensure this characteristic.

Gao Zhanxiang said: "Opening up, introducing, filtering, and absorbing foreign things, and creating new things" also apply to cultural development, and the cultural policy for the special zones should be more flexible. Different kinds of culture should be allowed to exist together. In open areas, there are certainly different cultures, whether you allow their coexistence or not.

He said that the special zones should cultivate a new breed of modern culture which includes local culture, interior areas' culture, traditional culture, and foreign culture.

He said: Foreign culture has taken root in Guangzhou and will certainly do the same in Shenzhen. It is necessary to absorb useful things from foreign culture; and the misgivings about "overall Westernization" are uncalled-for, because this is not determined by any personal will. Absorbing foreign culture is a trend that cannot be resisted but can only be guided.

Gao Zhanxiang said that there are five reasons for developing special culture in the special zones; economic development in the special zones requires special culture; the forming of a special zone mentality needs special culture; people in the special zones need a special culture which is suited to their special life style and working conditions; people in interior areas also want to see culture in the special zones become special; and foreign tourists and businessmen need special culture in the special zones.

Gao Zhanxiang said: The special zones should have more power to arrange cultural exchanges, and control should be relaxed. They should have more power to decide on friendly unofficial exchanges and commercial performances. The Ministry of Culture will study this issue more carefully.

He said that in order to cultivate special culture in the special zones, leaders in the special zones must be wise and broad-minded and should pay as much attention to cultural work as they pay to economic work. In addition, the special zones should establish a cultural management system that is suited to their economic development.

RESULTS OF NATIONAL HOUSING SURVEY RELEASED

OW181412 Beijing XINHUA in English 1332 GMT 18 Dec 86

[Text] Beijing, December 18 (XINHUA) -- Chinese living in cities or towns have an average of 10 square meters of floor space, according to a second news release from a national survey. The survey shows the average floor space for people in cities and towns in Zhejiang Province in east China is 14.32 square meters, highest in the country while the Tianjin municipality has the lowest average figure of 6.9 meters.

The county has spent more than 10 billion yuan on building new houses every year since 1979. That amount is more than what is spent on fixed assets in any other sector of the country.

The survey was jointly conducted by the Ministry of Urban and Rural Construction and Environmental Protection and the State Statistical Bureau. It investigated living conditions of 150 million urban residents in 28 provinces, autonomous regions and municipalities directly under the central government.

MILITARY TECHNOLOGY TURNED OVER TO CIVILIAN USE

OW181052 Beijing XINHUA in English 1034 GMT 18 Dec 86

[Text] Beijing, December 18 (XINHUA) -- The National Defense Commission of Science, Technology and Industry is reassigning personnel, equipment and automation management to civilian projects, the overseas edition of the "PEOPLE'S DAILY" reported today.

"Armies under the commission have completed 427 change-overs of military technology to civilian use, to contribute to the nation's modernization drive," the paper said.

According to the paper, "Technology for use in industrial enterprises, office management, city building, health and medicine, environmental protection and culture and education have been transferred."

Based on the principle of mutual benefit, the commission has signed a contract with the Panzhihua Iron and Steel Company in Sichuan Province to establish a computer management system for the company and to improve efficiency and accuracy of management, the paper said.

RENNMIN RIBAO ON INCREASING INPUT IN AGRICULTURE

HK170729 Beijing RENMIN RIBAO in Chinese 15 Dec 86 p 2

[Commentator's article: "Increase Input in Agriculture"]

[Text] An important measure to maintain steady growth of agriculture is to increase the material and technological input.

In the past few years, the rural reform has made a break with the old system of "being large in size and collective in nature," with peasants' enthusiasm for production greatly aroused. This has brought about the rapid development of our agricultural production. The might of policy is the main cause here. But without the material and technological base laid in the past 30 years through continued investment in agriculture, such rapid agricultural development would not have been possible. Increased peasant enthusiasm is also a kind of input in agriculture. But just this is not enough. There must also be a material and technological input.

Marx said: "No plot of land produces anything without investment." ("Das Kapital," 1975 edition, Vol 3, p 796) Like other kinds of material production, agricultural production cannot be a case of just taking and not giving. [paragraph continues]

It should be noted that the situation of neglecting an input in agriculture is at present quite serious. Some areas have so far not properly handled the relations between input and output. In the past few years, a reduced input to land by some areas has caused a string of unpleasant consequences, such as reduced soil fertility, a reduced area of irrigated and flood-free land, increased soil erosion, and so forth, posing a potential risk in agriculture.

The 12th CPC National Congress suggested that by the end of the century, our total grain output should reach 480 billion kilograms. Given continuous population growth, the level of a per capita share of 400 kilograms of grain is to be maintained. To reach this target, we cannot do without a material and technological input. A new material and technological input includes new machinery, modern science and technology, irrigation facilities linked up as parts of the whole, scientific means of applying fertilizer, and also processing, transportation, storage and marketing facilities, and so forth. These must be brought together through the use of money. Without money as a means of bringing things together, we cannot form a new level of productivity. In future, apart from agricultural funds supplied by the state in an increasing amount from year to year being devoted to major projects, we must raise money collectively, individually, and jointly, or by following various other patterns. In particular, we must encourage peasants to accumulate money and use their funds in improving production conditions. Only by so doing can the momentum of steady agricultural growth be maintained. And only in this way can grain production reach a new stage.

OFFICIALS UNCERTAIN ON AIDS TESTS FOR FOREIGNERS

HK171128 Hong Kong AFP in English 1057 GMT 17 Dec 86

[Text] Beijing, Dec 17 (AFP) -- Chinese officials appeared to back away from a program of mandatory AIDS testing of foreign students here Wednesday amid inter-agency squabbling and threatened non-cooperation by the students. "If a student is absolutely unwilling to take an AIDS exam, then just forget it," Feng Yuanfeng, an official of the Education Commission Foreign Affairs Office said in a telephone interview.

"This is mostly the Health Ministry's problem. They wanted us to put out a directive with them, to help them. The Health Ministry has all along not made a timely and definitive decision, so the work of persuading the students has been difficult," Mr. Feng said.

An official of the Health Ministry's AIDS Prevention Bureau said Tuesday that the bureau and the Education Commission had jointly issued a directive early this month telling universities to perform AIDS tests on all foreign students.

In cases where the students refused, the bureau would seek the assistance of the relevant foreign consulate, the official said.

Officials at the AIDS Bureau told some callers Wednesday that students would be "persuaded" rather than required to take the tests. Other callers were told that the bureau was studying the problem and would not answer further questions until Thursday. Students at west China's communications university, one of the first institutions to organise the tests, said Tuesday they planned to refuse the tests because they were concerned about the danger of catching hepatitis while giving blood samples as well as the possibility of incorrect results.

Mr. Feng said the Health Ministry had initially planned to test only students from Africa and the United States, areas where the acquired immune deficiency syndrome is most widespread.

"Later they realised the work would be even more difficult to carry out this way and they altered the plan," he said.

About one quarter of the estimated 5,000 foreign students in China come from Africa, where several countries are reported to be facing an AIDS epidemic. African students complain that they are subject to racial discrimination which has in the past resulted in clashes between Chinese and African students.

China has reported only one death from AIDS, that of a foreign tourist who died in a Beijing hospital in June 1985, six days after entering the country. Six Chinese haemophiliacs are also reported to have contracted the virus through transfusions of imported blood products.

The disease, which has killed more than 15,000 people in the United States since it was first identified there several years ago, is spread mostly through sexual intercourse and contaminated syringes and blood products.

WANG ZHEN VISITS JIANGXI PRODUCTS EXHIBITION

OW190208 Beijing XINHUA Domestic Service in Chinese 18 Dec 86

[By reporter Liu Dafu and correspondent Wu Zheng]

[Excerpts] Beijing, 18 Dec (XINHUA) -- Regarding economic development as a strategic task, Jiangxi's Fuzhou Prefecture, an old revolutionary area, has strived to make use of mountainous area resources, has strived to develop the production of good-quality foodstuff specialities, and has achieved marked results. To open up markets for its products in the capital in order to serve its residents, as well as to express the deep affection of the people of the old revolutionary area, some of the prefecture's famous food products, such as the Nanfeng honey tangerine, which is known as the king of tangerines; Guangchang white lotus seeds; and Jiangxi special leavened wine and Magu wine have been continuously shipped to Beijing to meet its residents' needs.

Wang Zhen, member of the Political Bureau of the CPC Central Committee [title as received] and vice chairman of the CPC Central Advisory Commission, received Huang Xinming, deputy secretary of the Fuzhou Prefectural CPC Committee, and some workers from the prefecture on the morning of 15 December. He also viewed some of the prefecture's special food products being exhibited in Beijing, and had a photo taken with Huang Xinming and some exhibition workers.

DENG PUFANG URGES PROMOTION OF HUMANISM

HK130224 Hong Kong WEN WEI PO in Chinese 13 Dec 86 p 2

["Special Dispatch" by WEN WEI PO correspondent Yao Hsin-pao: "Deng Pufang Discusses Humanism"]

[Text] Shanghai, 12 Dec (WEN WEI PO) -- Deng Pufang made an appeal here today that humanism as an ideology be taken as a basic guideline for every member of society.

Deng Pufang arrived in Shanghai today to attend a function entitled "Humanism in My Mind." As the chairman of the China Welfare Fund for the Handicapped, Deng said with deep feeling: The central authorities have issued documents calling for practicing and publicizing humanism. But it is really difficult to put it into effect.

On another occasion, at a symposium on humanism sponsored by some theoreticians and disabled persons in Shanghai, Deng Pufang pointed out: Nowadays, everybody may agree in words the promotion of humanism in China. However, a host of problems arise as soon as it is put into practice. Only the disabled and those who work for the welfare of the disabled will know how frustrating it is.

In view of the situation of the humanism movement in China, Deng Pufang asserted the great need of practicing humanism in China. The disabled are treated coldly and discriminated against when it comes to some issues relating to policies, say, application for admission to college, employment, and so on. He frankly pointed out that certain people, though agreeing with humanism in words, are still refusing to take action. Such being the case, the CPC should stimulate everybody's desire and initiative in making contributions to the community.

ZHAO ZIYANG URGES ARBITRATION CONVENTION PASSAGE

OW271048 Beijing XINHUA in English 1033 GMT 27 Nov 86

[Text] Beijing, November 27 (XINHUA) -- Chinese Premier Zhao Ziyang today made a proposal to the Standing Committee of China's National People's Congress to ratify an international convention concerning arbitration.

The International Convention on Recognition and Enforcement of Foreign Arbitral Awards stipulates that those countries who agree to its provisions should recognize and enforce the awards the foreign arbitrating party decides that the losing party should pay for damages done to the winning party involved in the dispute.

The ratification of the convention, Zhao explained to the supreme legislative organ at its ongoing 18th session, is aimed at meeting the demands of implementing the policy of opening China to economic cooperation with foreign countries and facilitating the country's foreign trade.

The main content of the convention includes that all countries that ratify it must recognize and enforce foreign arbitral awards and terms for such recognition and enforcement.

The convention aims to unify and simplify legal procedures of various countries to recognize and enforce foreign arbitral awards so as to facilitate the normal development of international economy and trade.

Zhu Qizhen, vice-minister of foreign affairs, explained the bill on behalf of China's State Council to the committee.

He said, "The foreign economic and trade arbitration commission and the Maritime Arbitration Commission under the China Council for the Promotion of International Trade have been handling more and more cases involving foreign firms since China's implementation of the policy of opening to the outside world, and the two commissions now have more than 90 cases to handle."

"If a foreign firm loses its case," Zhu said, "the Chinese firm which has won the case has to apply to a foreign court for enforcement of the arbitral decision."

"To encourage foreign businessmen and firms to invest in and trade with China," he said, "China's law permits disputes over economic and trade contracts between Chinese and foreign firms to be handled by either Chinese or foreign arbitration courts."

He said after the ratification of the international convention, China is obliged to recognize and enforce foreign arbitral decisions while China's arbitral decisions will also be recognized and enforced by foreign countries which have ratified the convention.

"While ratifying the convention," Zhu said, "China should state that it will carry out its obligations only in dealing with countries that have ratified the convention and in commercial affairs."

ZHAO ZIYANG MEETS AMITY GROUP COUNCIL MEMBERS

OW181200 Beijing XINHUA in English 1101 GMT 18 Dec 86

[Text] Beijing, December 18 (XINHUA) -- Premier Zhao Ziyang met here today all council members attending a national conference of the Chinese People's Association for Friendship With Foreign Countries and took a picture with all the attendants.

Present at the meeting were Xi Zhongxun, Wang Zhen, Wu Xueqian, Wang Zhaoguo, Ji Pengfei, Huang Hua, Chu Tunan, Zhang Jingfu and Zhou Peiyuan.

LI PENG VISITS URBAN CONSTRUCTION EXHIBITION

OW110832 Beijing XINHUA Domestic Service in Chinese 1322 GMT 10 Dec 86

[by reporter Xu Kehong]

[Text] Beijing, 10 Nov (XINHUA) -- The national show displaying the brilliant accomplishments in urban construction in the country over the past 30 years and more concluded in Beijing today after 15 days.

The large show, the first of its kind held in the country after its founding to display the accomplishments in urban construction in various parts of the country, attracted widespread attention from the people. As many as 350,000 people have visited the show.

Vice Premier Li Peng visited the show this afternoon.

GUANGDONG EXECUTES 4 FOR 'ECONOMIC CRIMES'

HK181402 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0746 GMT 18 Dec 86

[Text] Zhuhai, 18 Dec (ZHONGGUO XINWEN SHE) -- Three criminals involved in a serious case of embezzlement, speculation, and smuggling were sentenced to death and immediately executed here today. They include 27-year-old Zhou Runpei and 20-year-old Li Youqiang from Macao and Lin Chenggang from the mainland.

Eight other criminals involved in the case were also sentenced today. Among these, Lao Haiwei from Macao was condemned to death, with the sentence suspended for 2 years, and Huang Lianghe and Chen Guanghuan, also from Macao, were sentenced to 12 and 10 years imprisonment, respectively.

Lin Chenggang, 24, the principal criminal, was formerly an accountant for the Zhuhai Branch of the Bank of China. Lin embezzled a total sum of 2.3 million yuan from April to July 1985. In collaboration with Zhou Runpei, he illegally bought over HK\$1.4 million and attempted to purchase Portuguese passports to flee the country. In mid July, Huang Lianghe smuggled HK\$580,000 for Lin and Zhou into Macao. Using the excuse of procuring Portuguese passports, Li Youqiang collaborated with the ringleader of a certain sinister gang in Macao and swindled HK\$760,000 out of Lin and Zhou. While taking the Hong Kong dollars out of the mainland for Lin and Zhou, Lao Haiwei stole HK\$89,000 from the total amount. This economic crime, the greatest one in Zhuhai in over 37 years, was solved during September and October of last year, and all 10 criminals were arrested.

In March of this year, the Zhuhai Intermediate People's Court publicly tried the case. Later, the second and final trials, the Guangdong Higher People's Court rejected the appeals and upheld the original sentence. Finally, with the approval of the Supreme Court, the principal criminals, Lin Chenggang, Zhou Runpei, and Li Youqiang, were sentenced to death.

The other four mainland criminals involved in the case include a driver, a sales representative, a self-employed worker, and a manager of a commercial complex. They were charged with the crimes of smuggling, stealing, speculation, and dereliction of duty and sentenced from 5 years to life imprisonment.

It has been reported that the number of important and major economic criminal cases handled by the courts in Zhuhai since the beginning of this year has increased by 200 percent over the corresponding period of 1985. These criminal cases include: Making use of economic contracts to engage in swindling, buying and selling foreign exchange, smuggling, bribery, embezzlement, speculation, and doing business illegally.

SHENZHEN PLANNING CONFERENCE TOLD OF GOALS

OW171837 Beijing XINHUA in English 1628 GMT 17 Dec 86

[Text] Shenzhen, December 17 (XINHUA) -- Shenzhen, China's largest special economic zone designed for foreign investors, foresees a 17 percent rise in industrial output value next year.

To help attain the goal, the zone will relax customs control at Hong Kong border, simplify entry procedures and set up duty-free shops in the zone's downtown area.

These were disclosed here at a planning conference which closed today.

According to the projected objectives, Shenzhen, in Guangdong Province, will manufacture four billion yuan (about 1.08 billion U.S. dollars) -worth of goods in 1987.

Other economic targets for 1987 include:

- Use of 500 million U.S. dollars in foreign funds, up 13 percent from 1986;
- Exports to the tune of 800 million U.S. dollars, a 19 percent rise;
- 2.2 billion yuan in investment in capital construction, up 22 percent; and
- Revenues totalling 850 million yuan, the same as in 1986.

The conference disclosed that the zone suffered a drop in the average gross national product and national income this year and the net output value dropped by 10 percent as shown by a survey of 800 industrial enterprises. The conference decided to further improve the investment climate by raising work efficiency and checking the tendency of discriminately collecting fees.

The conference believed that the new measures to be taken next year will help bring about a brisker tourism and trade and stimulate the progress of its outward looking economy.

GUANGXI OPENS 710,000-TON BERTHS, RAILWAY

HK170505 Nanning Guangxi Regional Service in Mandarin 1100 GMT 15 Dec 86

[Station commentary: "An Important Pioneering Work in Invigorating Guangxi's Economy"]

[Text] The operation of 710,000-ton berths in Fangcheng Port and the completion of the Nanning-Fangcheng Railway is another important achievement made by the region in building socialist modernization since the 3d Plenary Session of the 11th CPC Central Committee. The completion and operation of these two priority projects is of great and far-reaching significance to invigorating the region's economy and to rapidly developing the economy in the provinces of southwestern China. We hereby warmly congratulate this and convey our kind regards and extend our greetings to the comrades who participated in the construction of the port and railway.

Communications and transport are the precursor for developing the economy. Developed communications facilities are the basic conditions and an important guarantee for developing the economy. Fangcheng Port occupies a good geographic position and has many favorable natural conditions. With China's great southwest at its back, it faces southeast Asia. As an ice-free port, Fangcheng has many strong points, such as its deep water, its position to take shelter from the wind, and its pleasant weather. It is a relatively ideal open port in the region for developing foreign trade. On the basis of the original 210,000-ton berths, Fangcheng Port has now built another 510,000-ton berths, and put them into operation. As a result, the port now can handle some 3.6 million tons of freight annually. The completion of Nanning-Fangcheng Railway has linked sea transport in Fangcheng Port with the transport of the Guizhou-Guangxi Railway, the Hunan-Guangxi Railway, and the Liuzhi-Liuzhou Railway. Thus, Fangcheng Port will become a goods distribution centre and the most economical, convenient sea route in the region and China's southwestern provinces.

The linking of the Nanjing-Fangcheng Railway to Fangcheng Port is just like adding wings to a tiger. This will play a special role in developing the economy and trade in the region and China's southwestern provinces and will rapidly achieve great economic results.

YANG RUDAI AT SICHUAN WORK MEETING

HK190315 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 17 Dec 86

[Text] A meeting on work in poor mountain areas of our province opened in Yibin City yesterday [17 December]. Provincial CPC Committee Secretary Yang Rudai, provincial poor mountain areas economic development leadership group head Liu Chunfu, and leading comrades concerned attended the meeting. Some 200 responsible persons and representatives of 9 prefectures and cities and 46 poor counties are attending the meeting, which is being presided over by provincial CPPCC Committee Vice Chairman Zhang Guangqin.

Comrade Liu Chunfu spoke. In his speech, Comrade Liu Chunfu stated six views on stepping up the economic development of the poor mountain areas of our province. Their main contents are: It is necessary to begin with reform, to enliven the internal vitality, to keep an eye on development, to develop the commodity economy, to define the guiding ideology of the economic development of the poor mountain areas, to reform the method of distribution of funds for helping the poor, to attain the target, to establish a system of definite cadre responsibility, to rely on science and technology to develop the economy of the poor mountain areas, and to further implement and perfect the preferential policies toward the poor mountain areas. It is essential to strengthen leadership, to establish organs on a sound basis, and to mobilize the forces of the whole society to show concern for and support the change in outlook of the poor areas.

Comrade Liu Chunfu also emphatically said: Leadership organs at all levels and the cadres of the poor areas must strengthen their sense of responsibility and further emphasize that getting rich is the basic task of the poor mountain areas. We must try in every possible way to speed up the economic development of the poor mountain areas and change their poor outlook as soon as possible.

XIZANG RADIO DETAILS REGIONAL STRUCTURAL REFORMS

HK190225 Lhasa Xizang Regional Service in Mandarin 1130 GMT 18 Dec 86

["Changes in the Regional Party and Government Organs and Units"]

[Text] 1. Twenty-eight units are to be basically retained, plus six linked [neihan] undertakings and units. These are: The General Office of the regional party committee; the Propaganda Department; the United Front Department; the organs of the Discipline Inspection Commission; the General Office of the People's Congress; the Procuratorate; the Higher People's Court; the General Office of the People's Government; the Communications Department; the Public Health Department; the Civil Affairs Department; the Public Security Department; the Radio and Television Department; the Physical Culture and Sports Commission; the CPPCC General Office; the Federation of Trade Unions; the CYL Committee; the Federation of Women; the Xizang branch of the Buddhist Association of China; the office in Beijing; the office in Chengdu; the office in Golmud; the regional party school; Xizang Social Science Institute; the office of XIZANG RIBAO; Xizang University; the Xizang Nationalities College; and Xizang Agriculture and Animal Husbandry College.

2. Nine units are to be formed through amalgamation: The Organization Department, the Veteran Cadre Bureau, and the personnel work section of the Labor and Personnel Bureau are to be amalgamated into the Organization Department; the Economic and Planning Commission, the Urban and Rural Construction and Environmental Protection Department, the Material Supply Bureau, and the labor work section of the Labor and Personnel Bureau are to be amalgamated into the Planning and Economic Commission; the Industry Department and the Water Conservancy and Electric Power Department are to be amalgamated into the Industry and Electric Power Department; the Commerce Department and the Industry and Commerce Administrative Bureau are to be amalgamated into the Commerce Department; the Agriculture and Animal Husbandry Department and the Forestry Department and to be amalgamated into the Agriculture, Animal Husbandry, and Forestry Commission; the Finance Department and the Tax Bureau are to be amalgamated into the Finance Department; the Education Department, Science and Technology Commission, and Science and Technology Association are to be amalgamated into the Education, Science, and Technology Commission; the Culture Bureau and the Literature and Art Federation are to be amalgamated into the Culture Department; and the Nationalities Affairs Commission and the Bureau of Religion are to be amalgamated into the Religious and Nationalities Affairs Commission.

3. The nature of two units is to be changed. The Policy Research Office of the regional party committee is to be changed into a business unit called the Xizang Economics and Social Development Research Center. The Regional Translation and Editing Bureau is changed from a government department into a business unit.

4. Three units are to be changed to regional-level establishment: The Regional Party Committee's Political and Legal Commission; the People's Congress Judicial Commission; and the People's Congress Supervisory Commission.

5. Six units are to be reduced to county-level, including one linked unit: The Foreign Affairs Office is changed to a county-level organ and placed under the leadership of the General Office of the Government; the Judicial Department is changed into a county-level Judicial Bureau and placed under the administration of the Regional Government General Office; the office in Shanghai; the office in Xian; the Yilamu office is delegated to Xigatse Prefecture; and the Xizang People's Publishing House is placed under the Culture Department.

6. Three units are to be abolished, including one linked unit: The party committee of the regional organs; the Agricultural Reclamation Department; and the Agriculture and Animal Husbandry Science Institute.

7. Four units are to be newly established, including one linked unit: The Control Department [jiancha ting]; the Tourism Bureau; the Organ Affairs Administrative Bureau; and the Xizang Developmental Undertakings Bureau.

8. One unit is upgraded: The department of Foreign Economic Relations and Trade.

Permanent new organs that were not originally included in the establishment, such as the Party History Compilation Commission, the Security Commission [baomi weiyuanhui], and Family Planning Commission are to be retained.

With regard to structural reform in units directly subordinate to the central authorities, it has been agreed by the central authorities that the departments in charge of such units will dispatch personnel to Xizang to study the matter with the regional authorities and come up with a reform scheme.

XIZANG ORGANS GIVE INSTRUCTIONS ON REFORMS

HK190223 Lhasa Xizang Regional Service in Mandarin 1130 GMT 18 Dec 86

[Excerpts] On 17 December, regional party committee Deputy Secretary Dangzin spoke at the opening ceremony of the regional conference on structural reform and replacement of old leadership groups by new in the regional organs. He conveyed the notice of the general offices of the CPC Central Committee and State Council on approving the structural reform scheme for the regional party and government organs.

The notice said: The Central Committee and the State Council agree in principle with the structural reform scheme that you have reported to us. Structural reform is an important aspect of political structural reform. Its aim is to further promote division of work between party and government, delegate powers to lower levels, streamline the administration, and improve work efficiency, to ensure that the superstructure will provide better service for the economic basis, to stimulate the development of Xizang's productive forces and commodity economy, to make the people rich as soon as possible and the nationalities still more united, to further consolidate and develop the excellent situation of stability and unity, and to speed up the building of a united, prosperous, and civilized new Xizang.

The notice said: Xizang is a nationality autonomous region with rather special characteristics. Structural reform must be based on local realities. [passage omitted] In carrying out the reform, it is necessary to consider things in an all-round way and make careful plans for reducing the number of organs and tiers. The work of resettling redundant personnel must be done with care, using the proper methods. The leadership groups and work personnel must be readjusted and appointed in accordance with the demand for four transformations of the cadre force.

The entire work of reform must be done with caution and steadiness. We must ensure that both routine work and reforms are done properly.

The notice says: Those staff and workers shifted to other jobs as a result of the structural reform are, like those who remain in their original units, precious treasures of the party. The regional party committee and government must be continually responsible for them. In conjunction with Xizang's actual conditions, the party and government should set up developmental undertakings, vigorously develop commodity production, make proper arrangements for their work, and take full advantage of their wisdom and talent.

The notice also gives many policy explanations regarding the resettlement, housing and so on of retiring personnel. In conclusion, the notice demands that the People's Bank of China, the Bank of China, the Construction Bank, and central units located in Xizang such as those involved with geology and mining, customs, commerce inspection, meteorology, and posts and telecommunications should also carry out reforms. In conjunction with Xizang realities, these units should hold discussions with the regional party committee and government, to study and formulate reform schemes and do a good job in structural reform.

Comrade Dangzin also read out the report submitted to the central authorities by the regional party committee and government in September seeking instructions on the scheme for the reform of the regional party and government organs.

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PR C R E G I O N A L A F F A I R S
NORTHWEST REGION

T 1

SHAANXI PEOPLE'S CONGRESS STANDING COMMITTEE MEETS

Governor Li Qingwei Resigns

OW181704 Beijing XINHUA Domestic Service in Chinese 1516 GMT 18 Dec 86

[by reporter Hua Nianlun]

[Text] Xian, 18 Dec (XINHUA) -- The Standing Committee of the Shaanxi Provincial People's Congress adopted a resolution today to appoint Zhang Boxing as acting governor of Shaanxi Province.

Being transferred to another post, Li Qingwei, 66-year old former governor of Shaanxi, had submitted his resignation to the Standing Committee of the provincial People's Congress. The Standing Committee of the Shaanxi Provincial People's Congress approved his request to resign at the 21st session of the Sixth Provincial People's Congress, which ended today, and adopted the aforementioned resolution. Fifty-six-year-old Zhang Boxing has worked as deputy director of the Bureau of Chemical Industry, Shaanxi, as well as head and deputy head of the Organization Department of the Shaanxi Provincial CPC Committee. He became vice governor of Shaanxi Province in June 1985.

Zhang Boxing Acting Governor

HK181506 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1421 GMT 18 Dec 86

[Text] Xian, 18 Dec (ZHONGGUO XINWEN SHE) -- Today, the 21st Standing Committee meeting of the 6th Shaanxi Provincial People's Congress accepted Governor Li Qingwei's resignation and decided to appoint Zhang Boxing, a vice governor of Shaanxi, as the acting governor.

Zhang Boxing, a native of Hebei's Baxian County, was born in August 1930. In August 1947, he was admitted to the Economic Management Department at the Peiping Commercial College. He was enrolled at Huabei University in April 1949. In November 1950, he joined the CPC. From 1954 to 1975, he did trade union work, industrial work, and transportation work in Shaanxi. From November 1975 to 1985, he successively held the posts of deputy chief of the Shaanxi Provincial Petrochemical Industry Bureau and deputy director and director of the Shaanxi Provincial CPC Committee's Organization Department. He has been a governor of Shaanxi since June 1985.

According to informed sources, former Governor Li Qingwei has another assignment.

Meeting Concludes

HK190327 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 19 Dec 86

[Excerpts] The 21st meeting of the 6th provincial People's Congress Standing Committee concluded in Xian yesterday after 8 days in session. After seriously discussing the suggestion of the Shaanxi provincial CPC Committee, the meeting decided to accept the request of Li Qingwei to resign from the post of provincial governor. [paragraph continues]

In accordance with the provisions of the PRC Organic Law on Local People's Congresses and Local People's Governments, the meeting passed a decision naming Zhang Boxing as acting governor, following Li Qingwei's transfer to other work. [passage omitted]

During the meeting, Vice Chairman Li Lianbi reported on the spirit of the 18th meeting of the 6th NPC Standing Committee. (Liang Ti), chairman of the provincial Science and Technology Commission, reported on the situation in reforming the science and technology structure in the province. (Zhao Baoyu), director of the provincial Labor and Personnel Department, reported on the progress of reforms of the labor system. [passage omitted]

The meeting made the following appointments: (Zhao Jiutang) to be director of the provincial Commission for Foreign Economic Relations and Trade; (Tong Xiangrong) to be director of the provincial Radio and Television Department; (Chen Guse) and (Liu Wanjing) to be deputy secretaries general of the provincial People's Congress. [passage omitted]

The meeting decided that the elections for new terms of the county and township people's congresses in Shaanxi should be completed by the end of June 1987. [passage omitted]

STRUCTURAL REFORM IN KEY SHAANXI CITY

HK181300 Xian SHAANXI RIBAO in Chinese 5 Dec 86 p 1

[Report by correspondent Cheng Feng (4453 6912) and reporter Yun Xianke (0061 3759 4430): "The Overall Plan for Structural Reform in Baoji City Has Come Out"]

[Text] Baoji City, one of the designated medium-sized cities in the country carrying out structural reform experiments, made known to the public in late November an overall plan for its structural reform. Now the plan is being actively put into effect.

This newly drawn up plan was the outcome of the policy decision made by the city party committee and government in democratic and scientific manner by encouraging the masses to air their views freely. Since Baoji was cited in May as one of the medium-sized cities in the country carrying out structural reform experiments, seven meetings of cadres of organs at the city level have been held in the city to propagate the reform, to form a new concept concerning the reform, and to improve the cadres' understanding of the reform; and seven survey teams have been formed to carry out overall surveys in the departments of industry, communications, agriculture, urban construction, commerce, culture, health, and party-masses relations and to solicit opinions from people in all fields. After repeated deliberations and comparisons between the city's conditions and the experiences of other localities, an idea gradually took shape to formulate a reform plan with Baoji's characteristics.

Taking into account the fact that not all state organs have been reformed, that the overall reform of the political system is still in the process of investigation and study, that the old system and old operational mechanism are being transformed into new ones, and that the capital and material market systems are still taking shape, Baoji City has included a target program, a transitional program, and a coordinating program in its overall plan for structural reform. [paragraph continues]

According to the target program, which is aimed at increasing the vitality of the party and government, overcoming bureaucratism, streamlining administration, improving efficiency, bringing into play the initiative of the masses, invigorating enterprises, and ensuring the sustained and stable development of the economy, half of the organs of the city party committee and government will be reduced. According to the transitional program that allows the simultaneous implementation of the old and new systems and focuses on bringing about functional changes, the city party committee has dissolved those departments that overlapped with the city government organs, has devoted more efforts to work in policy research departments, has provided more cadres for party work departments, and has improved the work concerning party cadre administration. The city government has separated government administration from enterprise management; streamlined administration; delegated powers to the lower levels; improved its function to manage the economy; strengthened its macroeconomic management; set up economic policymaking, economic advisory, and economic information organizations; strengthened work in departments of comprehensive economic management; devoted more efforts to economic regulation and supervision; reduced and merged professional management departments; dissolved companies of an administrative nature; simplified the intermediate management structure; adjusted the administrative system; strengthened economic judicial and supervisory organs; and set up a new supervisory bureau. To bring into play the multifunctional role of the city, reforms have also been instituted in the departments of circulation, urban construction, science, technology, culture, education, and public health. The coordinating program has been drawn up for the purpose of simultaneously instituting political and economic structural reforms. The city has reformed the cadre and personnel system, allowing open and democratic recommendations of leading cadres. It has improved and strengthened the personal responsibility system and carried out reforms of enterprises' mechanism, of the monetary system, and of the material management system. Moreover, it has also worked out detailed programs for forming and improving the market system for technology, labor service, and consumer goods; for straightening out urban relationships; and for improving the system of exercising urban leadership over counties.

Baoji City regards the process of structural reform as one of improving the quality of its cadres, changing the style of its organs, and promoting work in various fields. Organs at the city, county, prefecture, and township levels have all introduced management over fulfillment of targets in work and carried out the system of cadres assuming responsibility for the fulfillment of targets during their tenure of office. Cadres at all levels have generally improved their idea of reforms, their concept of making further progress, their spirit of devotion, and their fact-finding style. Party and government organs have also witnessed better work efficiency. Since the beginning of this year, tens of thousands of cadres at the city, county, and township levels have left their offices for factories and the countryside to serve the people there.

SHAANXI MEETING MARKS XIAN INCIDENT

OW130811 Beijing XINHUA Domestic Service in Chinese 1327 GMT 12 Dec 86

[By reporter Hua Nianlun]

[Excerpt] Xian, 12 Dec (XINHUA) -- Noted figures from various circles in Xian met today to mark the 50th anniversary of the Xian Incident. More than 600 people, including leading cadres of party, government and army organizations, responsible persons of democratic parties, and representatives of people from all walks of life in Shaanxi Province and Xian City attended the commemoration meeting.

At the meeting, Bai Jinian, secretary of the Shaanxi provincial party committee, highly praised the important historical role of the Xian Incident and its peaceful ending in promoting the second cooperation between the Kuomintang and the Communist Party and in mounting a united resistance against Japanese aggression. On behalf of the people of Shaanxi Province, he expressed his highest respects and cordial regards to General Zhang Xueliang and deep grief for General Yang Hucheng. He said: The Xian incident merits our commemoration not only because it played a unique role as a turning point in China's history, but also because it demonstrated strong patriotism and a spirit of great national unity. Such a spirit is always worth inheriting and carrying forward.

Tan Weixu, chairman of the Shaanxi Provincial Committee of the Revolutionary Committee of the Kuomintang and chairman of the provincial CPPCC Committee, spoke on behalf of all democratic parties. [passage omitted]

SONG HANLIANG ATTENDS XINJIANG CONFERENCE

HK180219 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 16 Dec 86

[Excerpts] The first regional congress of advanced collectives and advanced individuals in work concerning retired cadres and veteran cadres opened in Urumqi this morning. Leaders of the regional party and government, including Song Hanliang, Janabil, Keyoumu Damudong, (Liang Guoying), Bai Chengming, Tuerjin Atawula, Wang Zhenwen, Maihesude Tieyibofu, Xiaerxibieke Sijke, Ismail Yashengnuofu, (Gu Fengxian), Meng Shulin, Feng Da, Kanbarhan Aimaiti, Han Youwen, and Tayier Maimaitilli, attended the congress.

Regional party committee Deputy Secretary Janabil spoke at the congress. On behalf of the regional party committee and regional people's government, he first extended lofty respect for and cordial regards to all deputies of all nationalities throughout the region who had made great contributions toward the party's cause and the four modernizations of our region. [passage omitted]

Of the 260 deputies attending this congress, some are party and government cadres who have assumed leadership posts for a long time, some are veteran experts engaging in scientific and technological work, some are veteran gardeners on the education front, some are warriors in white engaging in medical work, and so on.

At the opening ceremony, innocent young pioneers presented congratulatory messages to the congress, expressing juveniles' and children's lofty respects for the revolutionaries of the older generation.

Chen Xifu, director of the Organization Department of the regional party committee, made a report: Carry Forward Achievements, Strengthen Leadership, and Strive to Create a New Situation in the Work Concerning Veteran Cadres.

I. 19 Dec 86

CHINA
TAIWAN

V 1

CHINESE DEFECTOR ARRIVES IN TAIPEI FROM SEOUL

HK190946 Hong Kong AFP in English 0937 GMT 19 Dec 86

[Excerpt] Taipei, Dec 19 (AFP) -- Chinese pilot Cheng Tsai-tein, who flew a MIG-19 jet fighter to Seoul in a defection bid two months ago, arrived in Taipei Friday on a China Airlines flight, eyewitnesses said.

They said that Mr Cheng, 26, was immediately whisked away by security staff when the aircraft landed at Taipei's international airport late afternoon Friday.

The former flight leader in the Chinese Navy Aviation Corps' Fifth Division, is due to give a press conference here Friday evening after being debriefed by military authorities.

Mr Cheng landed the Chinese fighter at an unidentified airfield in South Korea on October 24. [passage omitted]

COMMENTARY DENIES 'MAINLANDER' RULE OF TAIWANESE

OW160147 Taipei CNA in English 1445 GMT 15 Dec 86

[Text] Taipei, Dec. 15 (CNA) -- The following is a commentary by the Broadcasting Corporation of China (BCC) in Taipei entitled "The Eighty-Five Percent Issue".

For several years now foreign journalists have described the Republic of China on Taiwan's population as constituting "Eighty-five Percent" native Taiwanese and fifteen percent Mainlander Chinese. This usage begs for accuracy and explanation.

The fact is that Taiwan has become a melting pot Chinese society. Everyone on the island, including the two hundred and fifty thousand aborigines of Malay origin, is Chinese. The melting pot is formed by the interprovincial origins of many Chinese on Taiwan. They come from just about every province and area on the mainland of China.

Journalists, however, write that the native Taiwanese make up "eighty-five percent" of the population while people who came from the mainland in 1949, after the communist takeover there, number fifteen percent of the island's population. They describe Taiwan's political system in terms of the "fifteen percent" ruling the "eighty-five percent."

There are several reasons why it has become, impossible today to use this formula to describe Taiwan's population. But first of all, don't get us wrong: We are not saying there aren't any interprovincial rivalries on the island. And we don't deny that major problems existed in 1949 when the exodus of refugees from the mainland landed in an already crowded Taiwan. Problems have existed between the "early comer" Chinese and "latercomer" Chinese to Taiwan.

Those problems have, however, largely disappeared with time. First, we note the factor of intermarriage between mainlanders and Taiwanese. Literally hundreds of thousands of mainland men married into Taiwanese families during the past thirty-odd years. Their children, many of whom are now in their thirties and who have children themselves, would either be considered mainlanders, if the Chinese custom of following the father's origin is observed, or Taiwanese if the western custom of one's own birthplace is observed.

Another problem is the 1949 cut-off date. Many journalists report figures as though everyone who was on the island before 1949 is Taiwanese, everyone who came after is a mainland. This is not logical in the least. There were many so-called mainlanders serving in government on Taiwan before 1949, and hundreds of thousands of mainland refugees came to Taiwan during the Chinese civil war in the forties. To cut off the date at 1949 doesn't make sense and is a practice that leads to inaccuracies. What we are essentially saying is that the "eighty-five percent" figure is not scientifically derived. It has been tossed around so much that journalists just accept it as fact, without investigating its authenticity or origin.

Scholars, on the other hand are not so careless with such figures. They seldom use this figure of eighty-five percent because they understand that no formula exists to quantify the numbers of Taiwanese and mainlanders on Taiwan today. Not even the people on Taiwan can decide who is Taiwanese because many of the younger generation call themselves Taiwan natives despite their father's origin. They identify with their home, first. And to top things off, the government does not keep statistics on this matter because it, too, realizes there is no scientific method to arrive at accurate figures.

All told, the Taiwanese-mainlander issue probably went out with the rickshaw. The perpetuation of such inaccurate figures by the media is not only unscientific but also puzzling to the people on Taiwan itself.

STEPS PROPOSED TO CORRECT U.S. TRADE IMBALANCE

OW161215 Taipei CNA in English 1041 GMT 16 Dec 86

[Text] Taipei, Dec. 16 (CNA) -- The Board of Foreign Trade [BOFT] recently announced new policies aimed at correcting this year's ROC [Republic of China]-USA trade imbalance of U.S. \$11 billion. The policies, to be recommended to the U.S. authorities for implementation by both sides, will include the following:

-- ROC purchasing of Alaskan oil: ROC purchases of Alaskan crude oil will help ensure long-term oil supplies for the ROC while it addresses the trade imbalance between the two nations. It is practical for the United States to export oil to ROC at this time as an oversupply of oil on the world market is expected to continue over the next few years.

-- The transfer of high technology and advanced products from the U.S. to the ROC: The United States will lose its golden opportunity to export high-tech products to non-communist and friendly nations like the Republic of China as many European countries are filling the needs of ROC businesses.

-- Free trade zone agreement: The signing of a free trade zone accord with the ROC is an extremely effective way for the United States to reduce customs tariffs and non-customs barriers with this nation.

-- To allow more U.S. service industries into the ROC: Service industries like travel agencies and engineering consulting companies can ignite trade between the two nations.

-- Engineering purchases: American companies will be given easier access to major construction projects in Taiwan if they can meet the demands of the local industry.

-- To continue trade liberalization: Tariffs on more imported goods will be lowered to make American products more attractive to local consumers.

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